FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

Latin America

FBIS-LAT-94-021
Tuesday
1 February 1994

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FBIS-LAT-94-021 *1 February 1994*

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Cuba

Castro Considers President Clinton 'Man of Peace'

PA3101135394 Hamburg DPA in Spanish 0713 GMT 31 Jan 94

[Text] Varadero, 31 Jan (DPA)—Cuban President Fidel Castro considers U.S. President Bill Clinton as a "man of peace" and trusts he will lift the economic embargo Washington imposed on Cuba more than 30 years ago.

In a discussion with German journalists during the predawn hours today at the Cuban beach resort of Varadero, Castro added, nevertheless, that Cuba, despite the boycott, is capable of "surviving these more difficult times."

"Clinton seems to be a man of peace," especially concerned by his country's domestic problems, "but U.S. presidents have huge power limitations," the Cuban president said.

Castro said Cuban exiles in the United States exert great pressure on the Washington Government. The Cuban president said for the United States "the problem with Cuba is a domestic problem, not a foreign one."

Castro expressed gratitude for European economic aid, particularly German aid to Cuba, during the official inauguration of a new Cuban hotel operated by Germans. "Germany is a very important player in today's world, not only for Cuban economic interests but also for Third World interests," Castro said.

U.S.-Somali Shootout in Southern Mogadishu Reported

FL3101204794 Havana Radio Rebelde Network in Spanish 1800 GMT 31 Jan 94

[Text] According to figures obtained by AFP from the city's hospitals today, at least five people died and 15 were wounded in a shootout between Somalis and U.S. soldiers in southern Mogadishu.

The shootout occurred as two U.S. diplomatic cars were driving along the avenue that links the U.S. Embassy to the Mogadishu airport, when their escorts opened fire on a crowd. The soldiers fired—even using heavy-caliber weapons—because they thought the Somalis were trying to block the road along which the caravan was to pass, when in reality the crowd was just waiting in front of a food distribution center.

The massacre followed statements by the general undersecretary for UN operations in Somalia, (Kofi Annan), who criticized Washington's decision to withdraw its troops before 31 March. The UN official said he considered that decision a mistake because it might encourage violent actions aimed at sabotaging the peacekeeping operations.

Havana Notes U.S. 'Responsibility' for Rafter Deaths

FL3101171994 Havana Radio Progreso Network in Spanish 1200 GMT 31 Jan 94

[Text] Nine persons—including five children—died when a group of irresponsible individuals who tried to leave the country illegally from Puerto Padre aboard three fragile craft suffered a shipwreck. They were trying to go to the United States.

On the morning of 28 January, a group of five who reached land in the vicinity of Nuevitas explained that they had wrecked off the north coast.

The rapid mobilization of vessels of the Border Guard Troops and other institutions permitted us to rescue another five people, two of whom had to be hospitalized quickly. An infant just a few months old was also hospitalized, and his life is in danger.

The individuals who risked their lives and those of innocent children were attracted by the criminal propaganda from the United States that encourages them; now, in addition to whatever legal responsibilities may befall them, they will have on their consciences the tragic results of their actions.

This is the result of the work of those in the United States who are doing everything possible to encourage an illegal exodus and who welcome as heroes those who, risking their lives, take to the sea—while the U.S. authorities apply an ever more restrictive policy in granting visas to people who take steps to travel legally.

It has also just been reaffirmed in Havana that the United States has repeatedly failed to comply, by a big margin, with the agreement signed with Cuba in 1984 under which they were supposed to authorize the legal immigration of up to 20,000 people each year. Therefore, Washington must shoulder its share of responsibility for incidents such as this.

Raul Castro Attends Eastern Army Council in Camaguey

FL0102032094 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 1 Feb 94

[Text] Army General Raul Castro, minister of the Revolutionary Armed Forces [FAR], participated in the military council of the Eastern Army held in Camaguey, after which he toured areas of that province. The last point to be discussed by the military council was the fishing industry. The last point of the 30 February visit was the People's Fish Breeding Center in Sibanicu municipality, reflecting the importance with which the country's leadership regards this sector, which is decisive in increasing the food levels of the population. (Enrique Ortosqui), vice minister of the fishing industry, presented the current situation and goals in the development of artificial breeding of fish on the island.

In the same manner, Division General Carlos Fernandez Gondin, first vice minister of the interior, presented a detailed analysis, which is being made throughout the country against criminal activities and social indiscipline. He pointed out advances made, as well as difficulties, and expressed his conviction that with the participation of the masses, the perfection of the Unified Vigilance and Protection System, and the required action of the judiciary power within the framework of existing laws or those that need to be established, this struggle will be won by the Revolution.

In his tour of the Oriente Rebelde community in Sibanicu, Raul visited the Salvador Cisneros Betancourt elementary school, which was completed in just 45 days by FAR combatants and by instruction from the second secretary of the Communist Party of Cuba [PCC]. At the facility, which has capacity for more than 200 children, Raul received detailed information on the characteristics of the center. At the nearby plaza, the children presented an art show, which reflected the different stages of our history, including the uprising of Ignacio Agramonte in November 1868 at the Oriente sugar Mill, very close to the place where the community is established today.

Emilia Betancourt, president of the people's council and deputy to the National Assembly of the People's Government [ANPP], explained to the visitors aspects of this cattle-raising zone in self-sufficiency, services, the defense tasks, and among other things, the fight against crime. A plaque at the school reads: With great satisfaction I have come to learn the experience of Oriente Rebelde. Everything I have seen has been very interesting, including conversations with the workers and cadres. We have analyzed agriculture in general, enterprises, farms, Basic Cooperative Production Units, self-sufficiency, subsidies that must be eliminated, [words indistinct] seek efficiency and productivity, and work hard to increase the food levels in the fields [words indistinct]. Signed: Fidel Castro.

At the historical sugarmill, which is destined to become a museum of the sugar industry, Raul conversed on the characteristics of the installation, the largest in the province in the second half of the last century. He expressed his admiration for Ignacio Agramonte, one of our most important historical figures, and the fact that in the war of 1895, in their advance towards the West, Maximo Gomez camped there also.

Fish Breeding is one of the main objectives for Sibanicu. In 1993, the municipality caught more than 300 [words indistinct] and this year they hope to exceed that figure. [words indistinct] in half hectare each they can produce [words indistinct] and at the same time, the cattle can take advantage of the water in these small dams. After listening to the exposition of Omar del Risco, first secretary of the PCC in Sibanicu, Raul congratulated him for the exemplary work of this municipality in the development of the fishing industry, which is currently the cheapest and fastest means of production of animal protein, and states that it would be very useful if representatives from other provinces could come here to gain experience in this important task.

In his tour of Sibanicu, Raul was accompanied by the first secretaries of the six provinces that are part of the Eastern Army, Ramon Espinosa Martin, head of the Eastern Army; and Vilma Espin, president of the Federation of Cuban Women.

Lage Stresses Importance of Parliament in the Workplace

FL3101172194 Havana Radio Progreso Network in Spanish 1200 GMT 31 Jan 94

[Text] The paper TRABAJADORES, on some of whose articles we have reported today, calls on everyone to focus discussions on the efficiency of each workplace. That is the title of an article in which TRABAJADORES announces that as of today, the Parliament in the Workplace is being held throughout the nation. Numerous such assemblies were held as trial runs throughout the month of January.

The most important aspect of this process, which is to continue until 15 March—the most strategic and most potentially profitable for the nation—is the analysis of the economic efficiency of each body, i.e., how to produce more with fewer expenses, thereby increasing profitability. Exactly this was at the center of the discussions of the recent seventh plenum of the National Committee of the CTC [Cuban Workers Federation], of which journalist Rosa Maria Godoy has details:

[Godoy] How to be more efficient, economizing human and material resources, was the prevailing concern during the seventh plenum of the CTC's National Committee while discussing the status of the domestic economy. At this event, held at the (Ernest Telman) Hall of the CTC national headquarters, the policy of reducing personnel rolls was also emphasized. In this connection, Carlos Lage pointed out that in order to carry out this rationalization, we must rely on the unions and must relocate, to other tasks or other work groups, those workers who may be unneeded.

Also discussed was the unfolding of the assemblies, the Parliament in the Workplace, which Lage called an unprecedented political process:

[Begin Lage recording] It is a real process, quite deep and significant. I think it is truly something of exceptional value, of exceptional significance and political importance; and it would also be good for us to be able to convey to the workers that the nation is facing a very difficult situation at present, and that it is taking whatever measures it has to take along with the workers, with their participation, and is following a process such as this one that has been begun, a process that we really expect will have a great impact: first, by creating awareness on everyone's part of the need for whatever measures will, in the final analysis, be taken; and, second, in that they

are going to render whatever measures may be taken down the road much more effective and greatly reduce the margin of error that could result from the great wealth of opinions, judgments, and views that have come out of this process.

With this, I want to tell you that there is today a great responsibility, a great economic chore weighing on the CTC, on the unions: this political process, a process which—I repeat—is unprecedented and is something that, I would say, gives the Revolution a great deal of certainty as regards the measures that will have to be taken in the future, based on what has been said and explained here, what you people have been discussing. [end recording]

The CTC plenum approved the progress report on the extent to which the agreements and resolutions of the 16th CTC Congress have been fulfilled; in addition, the report presented by Daniel Fajardo, vice minister of agriculture [title as heard], was discussed. Fajardo reported on the progress of the Basic Cooperative Production Units in the agriculture sector and on the possibilities for increasing production levels of tubers and vegetables this year.

Eastern Military Council Assesses 1993 Achievements

FL3101002994 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 30 Jan 94

[Text] The Eastern Army Military Council is meeting in Camaguey with the participation of Raul Castro, Army General and Minister of the Revolutionary Armed Forces [Minfar]. The meeting is being chaired by Division General Ramon Espinoza Martin, Chief of the Eastern Army.

The council analyzed a broad agenda, which in addition to several defense preparation aspects, included other subjects such as the fight against crime and the increase in food production.

Several council members and the first secretaries of the Communist Party of Cuba [PCC] of the six provinces that comprise the territory defended by the Army are also participating in the meeting. They are Politburo members Esteban Lazo and Julian Rizo who are also first secretaries in Santiago de Cuba and Camaguey, respectively; Juan Carlos Robinson from Guantanamo, Alfredo Enriquez Pina from Granma, Francisco Garcia Ferrer from Holguin, and Julian Lopez from Las Tunas, all members of the PCC Central Committee.

The report by Army chief of staff, Brigade General Urbelino Betancourt, conveyed the satisfactory fighting capacity of the forces deployed to this extensive territory, which is demonstrated by the successful fulfillment of the FAR's main objectives.

The preparation of the commanders, officers, and soldiers of the territorial troops militia, both from the regular forces and the reserves, as well as the production and defense brigades, was considered good. This evaluation applies to the operational and tactical levels—to shooting ability, physical fitness, and their Marxist-Leninist education, following the example of Marti.

The refurbishing of the military theater of operations has progressed considerably over the past year, surpassing all plans, including the most important engineering works and the defense tunnels. The work carried out in Santiago de Cuba, which surpassed the annual plan by 85 percent, has also been emphasized. This plan also seeks to achieve full protection for the heroic town, the country's second most important town. Holguin and Camaguey Provinces also shine in the work they accomplished.

The plan to maintain weapons in good condition, that is, the plan for the preservation, diagnosis, prophylaxis, mobilization, and loading tests of the fighting instruments demanded a tremendous effort, which is reflected in the following figures: over 4,600,000 pieces of equipment, from heavy 36-ton tanks to antigas masks, were tested.

The experience accrued by the Army in this type of work is now being transferred to civilian organizations that have great quantities of unused equipment, such as Micons [Construction Ministry], the Agriculture Ministry, and Minaz [Sugar Industry Ministry] following the recent guidelines of the party's second secretary on the importance of maintaining and preserving the tremendous amount of capital invested by the country, equipment which is today not used, but which can be essential tomorrow, to the extent that we bail out of this special period. The discipline was also considered satisfactory, having reduced the number of infractions or crimes.

Concerning the nutrition program, in 1993 and in the previous year, the Army increased its production of meat, eggs, milk, tubers and vegetables, grain, honey, coffee, and others, by more than 30 percent, reaching a total of 20,000 tons, a figure which surpasses the troops' self-sufficiency needs by 23 percent. This has allowed the Army to hand over more than 5,000 tons of food to the people of the eastern region and to begin a modest assistance plan of food for the officer corps' family groups.

Fish production increased 75 percent as compared to 1993. The reforesting program by the Army forces and by the six provinces was surpassed by 21 percent; that is, by 49 million trees.

The conclusion reached by the military council is that 1993 was a successful year for defense in the Eastern Army, the 1994 objective of which is to maintain the same level of activities, achieving better results, with the hope of retaining Camilo Cienfuegos' machine gun, a rotating trophy of the FAR, following the Army's example. The trophy is today in the hands of the people of the eastern region.

At the closing of this report, the council was assessing other points of the agenda. Also present at the meeting as

special guests were Alfredo Jordan, agriculture minister and member of the politburo; Jorge Fernandez Cuervo, the fishing industry minister; Division Gen. Fernandez Gondin, first vice minister of the interior; and Enrique Oltuski, the fishing industry vice minister.

Barbados

Sandiford Takes Over Tourism Portfolio From Minister

FL2901135394 Bridgetown CANA in English 20232 GMT 28 Jan 94

[Text] Bridgetown, Barbados, 28 Jan, CANA—The Barbados Labour Party and a smaller opposition group, the National Democratic Party, on Friday called for the resignation of a minister who has lost the tourism portfolio to Prime Minister Erskine Sandiford.

They said Minister of Culture and International Transport Evelyn Greaves should resign because of the way the government treated him.

The BLP, the parliamentary opposition group, also called for the resignation of the board of the Barbados Tourism Authority (BTA), a government-run agency.

On Thursday, Prime Minister Sandiford, who is also minister of economic affairs, assumed responsibility for the Ministry of Tourism.

In announcing the move, the government said that Greaves, who assumed the tourism portfolio in a cabinet reshuffle last September, would retain responsibility for culture and international transport.

BLP spokesman Dr Richard Cheltenham called for Greaves' resignation, saying the industry could be severely hampered under Sandiford's leadership.

"Minister Greaves has been humiliated and robbed of eighty per cent of his portfolio.... The only self-respecting thing for him to do is to resign," Cheltenham said.

"We would like to remind the prime minister that the aim should be to get the best man in the national interest and that no other consideration should matter."

Leader of the National Democratic Party, Dr Richie Haynes, also called on Greaves to resign.

Haynes, a former finance minister, said the reshuffle indicated there was a crisis in the national cabinet.

Dominican Republic

Army Guarding Haitian Border To Prevent Fuel Contraband

PA0102030894 Madrid EFE in Spanish 0021 GMT 1 Feb 94

[Text] Santo Domingo, 31 Jan (EFE)—Half of the Dominican Army is guarding the border with Haiti to prevent the shipment of contraband fuel, Major General Ivan Hernandez Oleaga today reported in the border town of Jimani, southwest Dominican Republic.

In statements to the newspaper ULTIMA HORA, Army Chief of Staff Hernandez Oleaga indicated that the Dominican Government is ready to enforce the petroleum embargo imposed by the UN Security Council against the Haitian military coupists to pressure for deposed President Jean-Bertrand Aristide's return to power. Hernandez Oleaga said that in the last few months, there has been an increase in the number of people with access to Haiti, the country which shares the island of La Espanola with the Dominican Republic. The Dominican Republic and Haiti share close to 350 km of border. There are three border posts, and the rest is mainly forests and mountains. "When the embargo began we had the 3d and 4th Infantry Brigades in the area. We now have one more, and we have reinforced the two previous ones," he said. Although he did not state the exact number of soldiers in a brigade, he estimated that one has from 5,000 to 7,000 members.

Nearly a month ago, the Army seized a fuel truck that tried to take thousands of liters of fuel to Haiti. Through the Dominican Red Cross and as humanitarian aid, the Dominican Government permits shipments of bottled gas to Haiti, mainly for use in hospitals.

Haiti

Massac Criticizes Former, Current U.S. Administrations

FL3101200794 Port-au-Prince Signal FM Radio in French 1130 GMT 31 Jan 94

[Text] Father Yvon Massac, Fermathe Parish priest, denounces the exterminating maneuvers by the former and current U.S. Administrations aimed at ruining little countries. The Fermathe priest thinks President Clinton and the U.S. State Department want to reduce President Aristide's power because they fear his popularity. Father Massac adds that the U.S. Presidents are more concerned with U.A. interests in all their relations with the little countries.

[Begin Massac recording, in Creole] The U.S. Presidents have closed their eyes to the sufferings of the poor countries to consider first the interests of the United States in all their relations with those peoples. In Haiti, for instance, everybody can see that the cause of the sufferings of all Haitians, who cannot live at all at this time, is the willingness of

President Clinton and the State Department to prolong the crisis in order to weaken Aristide's power because they fear his popularity.

It is time for Americans to stand up to protest the policy of their rulers who are weighing down several little countries. What happened in Los Angeles may be a [word indistinct] warning from God so they will be more caring about the sufferings imposed on deprived peoples by the United States. It is time for President Clinton to release the refugees who are in jail, to stop sending them back to the Haitian hell of the coup d'etat. [end recording]

Main Stores, Banks Join Strike To Protest Embargo

PA0102034894 Mexico City NOTIMEX in Spanish 0118 GMT 1 Feb 94

[Text] Port-au-Prince, 31 Jan (NOTIMEX)—The main stores and banks in the Haitian capital remained closed today as they joined the strike decreed by the business associations in protest of the international community's embargo.

The Banking Association joined the strike by offering its services only three days a week during this period, even though they did not attend the meeting where the private sector organizations decided to step into the political scene by staging the strike.

"If we do not close now, for several days, they will impose on us a definite shutdown. We must demonstrate that we are decided on playing an important role in our country," one of the strike's promoters declared. The strikers explained: "This is not a political action, we only want to express our indignation for the international community which has imposed on us an unfair embargo."

The Industrialists Association that did not respond to the first strike call continues to keep its distance. Nevertheless, some of its members were present at an assembly that was held on the first day of the strike, 28 January. The Association leaders said they do not understand what this movement is seeking, as according to them, no clear goal has been set. The politicians in charge are asked to reach a settlement but the strike's promoters do not indicate with whom that settlement must be made.

The Chamber of Commerce as well as the great majority of those who participate in the meetings, supported the coup d'etat staged in 1991. Nevertheless, according to explanations given by participants in the meeting that prepared the strike, some of these have changed their position and currently they criticize the Army, accusing it of being corrupt and incapable of negotiating the Haitian political crisis.

The supermarket owners agreed today to open their stores four days a week while the pharmacies work normally. Hotels have decided to "make the foreigners feel the weight of the embargo" by closing down the bars and reducing electricity supply.

Meanwhile, the nation's five most important union organizations have rejected the private sector strike. "They have made a unilateral decision. The businessmen only want to dodge their responsibilities with the workers," declared a union leader.

Senators Demand Naming of Prime Minister 'Within 48 Hours'

FL3101191994 Port-au-Prince Signal FM Radio in French 1130 GMT 31 Jan 94

[Text] The Alliance [for Parliamentary Cohesion, ACP] is thumping the table with its fist. In a press communique, the Senate, [especially] the ACP and the members elected 18 January [1993], has ordered the executive to choose a new prime minister within 48 hours after the 28 January publication of the communique.

The Senate of the Republic reminds the Haitian nation that on 15 December 1993 the government of former Prime Minister Robert Malval officially tendered its resignation. The courageous Haitian citizens battling with misery and all kinds of calamities have vainly expected the designation of a new head of government who would truly look into their problems. The communique says that up to now, instead of constitutional actions aimed at putting the Republic back on track, our brothers who are our official representatives at the parliament have experienced trickery designed to perpetuate the unhealthy situation in which the country is still immersed. An example is Colin Granderson's letter of 12 January, sent to Robert Malval to inform him of his decision to have the initial elements of the UN/OAS International Civilian Mission return to Haiti.

The Senate of the Republic energetically protests these tricks that Haiti's so-called friends have had fun playing, and focuses on Article 98.3 of the Constitution that requires international treaties and conventions to be submitted first to parliament for approval or rejection.

The Senate reaffirms its determination as a responsible institution to control closely the actions taking place in the country, especially in this period of executive power vacuum. It believes it must also point out to the other powers and concerned authorities that if the executive power does not designate, within the next 48 hours, a new prime minister, who will have to be received shortly by parliament, the latter will be obliged to make the necessary decisions to safeguard national sovereignty.

This note is signed by 14 senators, including ACP members, and 18 elected parliamentarians, excepting Senator Serge Gilles.

Senator Reproaches Malval on Sovereignty

FL3101222694 Port-au-Prince Radio Metropole in French 1700 GMT 31 Jan 94

[Text] The Senate first secretary has called the resigning prime minister to order. In a news release issued 26 January, Senator Ebrane Cadet reminds Robert Malval and the members of the resigning government that they must limit themselves to dealing with day-to-day matters.

The legislator, a member of the Alliance for Parliamentary Cohesion, accuses the government of continuing to compromise national sovereignty. Sen. Cadet quotes the letter from Colin Granderson, seeking logistic measures in view of the return of about 30 UN/OAS observers to the country.

FRAPH Calls for Anti-intervention Protest 4 or 5 Feb

FL3101222794 Port-au-Prince Radio Metropole in French 1700 GMT 31 Jan 94

[Text] FRAPH [Revolutionary Front for Haitian Advancement and Progress] asserts that it is preparing a huge mobilization for 4 February. The organization denounces the return to the country of the UN/OAS civilian mission. The party led by Louis Jodel Chambelain also asked for the lifting of the embargo:

[Begin recording in Creole] There is one group of people making money on the embargo and another team fighting for power. Meanwhile, the population is dying of hunger. There are no health services or education.

Haiti is about to become a reservation on which all Haitians are locked. The private sector asserts that it has provided supplies to the people. Watch out for crooked dealers. The black market will stop. Respect yourselves. For two and a half years, the foreigner has realized that there is no worthy, nationalistic Haitian, and who is defending Haiti because Aristide alone is too small to make the foreigners humiliate Haitians and Haiti [as heard]. There are still many more Aristides in Haiti.

FRAPH firmly supports Senator Sansaricque's statements regarding the UN and the OAS. They have started coming in in another way. FRAPH, on behalf of the Haitian people, states that it does not want all those foreign settlers from the civilian mission who are the avant-garde of foreign intervention in Haiti. The people are asking the country's authorities if they are not in charge of the country's situation. Who gave the authorization? Haitian people, keep calm, be alert.

On 4 or 5 February, FRAPH will stamp its foot, will ask all the country's social classes, the youth, and all Haitians to join together in a revolution. Forward, Haitian people! Forward, Haitian people! [repeats] We are going to tell the foreigners: Down with the embargo, down with hunger, down with misery, down with unemployment! [end recording]

Business Sector Calls for Mobilization, Unity

FL3101195994 Port-au-Prince Radio Metropole in French 1145 GMT 31 Jan 94

[Text] Commercial activities have slowed since the work stoppage on 28 January by employers. Department stores and institutions in the capital are respecting the Chamber of Commerce and Industry's call to shut down business from 28 January to 9 February in order to demand the lifting of the embargo and compel the protagonists to find a quick solution to the political crisis. However, the paralysis will not be total. Capital supermarkets will be open to customers on Saturdays, Tuesdays, Wednesdays, and Fridays. Meanwhile, the employer sector issued a statement encouraging the business people to remain mobilized and united in order to thwart the embargo. Here is the business sector statement:

[Begin unidentified speaker recording] The times are grave. Our country is facing the most painful moment of its history. The imposed embargo is proving to be an inadequate measure doomed to failure. It is leading to total ruin, dividing the nation and is not offering any solution to the crisis. Twenty-eight months are too many. When, then, will a total, general embargo take place? What would happen to our children? What would happen to our environment? What would happen to our economy?

As a first step, let us close our firms and let us stand as one man to demand loudly and strongly the definitive lifting of this destroying embargo. Through this ultimate sacrifice, let us jolt national and international awareness. Let us continue to unite ourselves in this movement of protest. Employees, workers, state employees, professionals, you are a party to it. Your jobs are threatened. Together, let us raise our voices of protest. Join the groups and associations which have already shown their solidarity. Together let us save our country, Haiti. [end recording]

St. Kitts and Nevis

Opposition Demonstrators Burn Sugarcane, Buildings

FL2901022194 Bridgetown CANA in English 1801 GMT 28 Jan 94

[Text] Basseterre, St. Kitts, 28 Jan, CANA—St. Kitts-Nevis authorities on Friday were still assessing damage following a demonstration here on Wednesday by opposition supporters, protesting the minority People's Action Movement/Nevis Reformation Party Coalition Government at the opening of a new session of parliament.

In the aftermath of the St. Kitts-Nevis labour party-organised demonstration, police confirmed numerous reports of damage to property due to fire and other causes. The damage includes some 20,000 tons of sugarcane destroyed by fire in the island's sugar belt.

Desmond Mallalieu, general manager of the St. Kitts Sugar Manufacturing Corporation (SSMC), said with harvesting of the 1994 crop not yet underway, some of the burnt cane will be lost due to spoilage. Fire also gutted an unoccupied wooden building—the property of the National Caribbean Insurance Company—close to government headquarters, scene of the demonstration. A primary school, run by the Methodist Church, was also burnt.

Informed sources have indicated that damage to government headquarters itself where several windows were smashed, could be in the region of 3,000 dollars (one EC dollar = 37 cents U.S.). The state car used to transport the governor general suffered damage to the extent of 10,000 dollars, officials said. The vehicle was extensively damaged while it was parked in the garage at government headquarters. Police investigations are continuing.

Prime Minister Dr. Kennedy Simmonds has termed the demonstration a "disgrace and a discredit" to all those who participated in it. Simmonds said it is clear from last month's experience that such lawlessness can do great harm to the economy and affect the lives and livelihood of people in every sector of society. A state of emergency was imposed here on December 2 after opposition supporters rioted following the installation of the Simmonds-led coalition which won five of the 11 parliamentary seats in general elections on November 29.

Simmonds said he was pleased that his party supporters who came out to cheer their representatives, had behaved admirably, had obeyed police instructions, and did not get into any confrontation with Labour Party supporters or the police.

Defense Secretariat Reports Rebel Attacks in Ocosingo

PA3101201094 Mexico City NOTIMEX in Spanish 1730 GMT 31 Jan 94

[Text] Mexico City, 31 Jan (NOTIMEX)— The Defense Secretariat has reported new attacks on civilians in Ocosingo Municipality, Chiapas State, although the Army is observing a cease-fire. Defense Secretariat Communique No. 27 stated that armed groups attacked Indian villages that refused to cooperate with the self-styled Zapatist National Liberation Army. The communique added that 56 families were evicted with excessive violence from Santa Elena, La Soleda, San Francisco, and San Miguel Villages. The families were later given shelter by the Rural Association of Common Interest [Asociacion Rural de Interes Colectivo] in Ocosingo Municipality in eastern Chiapas.

The 7th Military Region Command received 27 complaints from cattle ranchers in Ocosingo and Altamirano of looting by aggressor groups. The office reported that on 27 January the person in charge of one of the ranches attacked in Ocosingo had stated that a group of 50 armed persons destroyed the ranch he was guarding.

Near the Miguel Hidalgo ranches in Ocosingo, some 500 armed individuals have surrounded 1,460 residents of nearby villages, asking them for food and a "war tax" and threatening to kill them if they do not join the armed movement.

A report received on 29 January stated that armed groups burned four wooden houses and used mallets to destroy three brick houses located close by the San Cristobal de las Casas-Ocosingo highway near Nuevo Oxchuc village, the communique added.

Residents of the 10 April and San Bartolo Ejidos went to military installations in Comitan on Sunday to ask for help in evacuating the refugees and to ask for food since armed groups are blocking the roads.

Zapatist Rebels Preparing To Meet With Government

PA3101034094 Hamburg DPA in Spanish 2043 GMT 30 Jan 94

[Text] Mexico City, 30 Jan (DPA)—According to a document written by one of the rebel leaders, which was published in Mexico City today, the Zapatist guerrilla movement that took up arms in the southern Mexican State of Chiapas on 1 January is preparing for direct dialogue with Manuel Camacho Solis, the commissioner for peace and reconciliation in Chiapas. In the letter addressed to LA JORNADA newspaper in Mexico City, "Subcommander Marcos," the Zapatist National Liberation Army's (EZLN) spokesman, revealed that the so-called Clandestine Indian Revolutionary Committee [Comite Clandestino Revolucionario Indigena] had recently met to appoint its delegates to the meeting.

At San Cristobal de las Casas yesterday Camacho Solis announced his formal acceptance of the negotiation agenda proposed by the guerrilla movement. The agenda includes the assessment of the economic, social, and political problems that prompted the Indian revolt, a search for solutions, and a permanent cessation of hostilities. The peace commissioner, who was appointed by President Carlos Salinas de Gortari, also stated that he is willing to negotiate with the guerrillas as a "political force in the process of being organized" in response to the rebels' request that they be accepted as a "belligerent force."

In his letter dated 26 January, "Subcommander Marcos" reveals that in the past few days the top rebel directorate discussed the appointment of its delegates to the meeting with Camacho Solis, which indicates their willingness to hold a dialogue even prior to Commissioner Camacho's announcement.

"The conditions for the dialogue have been given," Camacho Solis stated yesterday. He also warned the guerrillas that the current "dilemma" is to "agree to peace with democracy" or suffer the consequences of a "toughening" of the conflict. In a confidential letter, Camacho Solis had already proposed to the EZLN the possible cites, established guarantees, and necessary logistics for the meeting. There is still no date for the meeting, but, according to Mexico City media, it is imminent.

Meanwhile, General Miguel Angel Godinez, commander of the counter insurgency troops in Chiapas, reiterated today his support for the Army and the negotiation policy implemented by the Salinas de Gortari administration. "When we received the order to stop (the unilateral cease-fire), we did so immediately because we understand that we are fighting Mexicans who are our brothers. It's good that the cease-fire happened, and it opened the door to negotiation," he told a Mexico City newspaper. It is also good that those people (the EZLN) accepted the dialogue and that our top authorities have decided all the necessary measures to further this dialogue and obtain peace through political means and not with weapons," he emphasized. He added that when the rebel leaders and Camacho Solis—whom he called "a very brave man"—meet, Army planes will not overfly the area to avoid misunderstandings and to contribute to "holding the dialogue in a clean and above-board manner."

Official: Foreign Investments Unaffected by Rebellion

PA2901041194 Paris AFP in Spanish 1421 GMT 26 Jan 94

[Text] Mexico City, 26 Jan (AFP)—The armed rebellion that broke out on 1 January in southern Mexico "will not affect" the flow of foreign capital into Mexico, it was asserted by the Secretariat of Commerce when announcing it would sponsor 500 foreign investment projects in 1994.

In a 26 January statement to the local media, Pedro Noyola, deputy secretary of foreign commerce and investment at the Secretariat of Commerce, said foreign

investors are still interested in this country despite the military conflict in Chiapas.

"Investment projects are still strong," Noyola said to refute newspaper reports which claimed at least 100 programs were put "on hold" in the Secretariat of Commerce because of the Zapatist National Liberation Army (EZLN) rebellion.

Pedro Noyola announced the government and business groups were sponsoring nearly 500 foreign investment projects aimed at strengthening the textile, agro-industrial, tourism, commercial, and manufacture sectors starting this year. The plan foresees the promotion of investments through a litany of projects, and it includes the participation of the Secretariat of Commerce, the Foreign Trade National Bank, and the Mexican Businessmen's Council.

The political crisis in Chiapas, yet unresolved, has created uneasiness among financial groups, tourism companies, and powerful local businessmen who stated fears about Mexico's economic future during the first week of the armed conflict.

Referring to Mexico's foreign trade, Noyola said this sector experienced a growth rate of 325 percent over the past eight years, surpassing the United States, Germany, Japan, and the Pacific Rim countries. The growth rate achieved by the United States during that period was 170 percent; Germany 125 percent; Japan 130 percent; and "the Asian Tigers only achieved 270 percent," Noyola said.

Mexico has maintained an annual productivity growth rate of between 6 and 7 percent since 1989 while the United States barely achieved "between 2 and 4 percent," he added. In another area, he said Mexico registered a participation in excess of 6 percent in the United States' total manufactured imports, as compared to 3.2 percent registered in 1985.

Chiapas Authorities Release 38 Jailed Indians

PA2901040894 Hamburg DPA in Spanish 0206 GMT 29 Jan 94

[Text] Mexico City, 28 Jan (DPA)—Judicial authorities in the southern Mexican State of Chiapas today authorized the release on bail of 38 Indians who were arrested under the charges of belonging to the Zapatist National Liberation Army (EZLN) guerrilla group.

In confirming the release, the Chiapas government explained in a communique that the measure has no relation to the Amnesty Law decreed a few days ago by the state and federal governments, "which was implemented at a different time and under different procedures."

The Indians, who were held prisoner at a jail in Cerro Hueco, near Tuxtla Gutierrez, the capital of Chiapas, faced charges for criminal association for their alleged links with the armed rebellion that broke out in the state on 1 January.

During a recent visit to the jail, members of Amnesty International interviewed approximately 70 prisoners. Most of them said they were held incommunicado and that they had been tortured to force them to confess their participation in the EZLN rebellion. They also claimed that they received no medical attention.

Several journalists who were allowed to visit the Cerro Hueco jail for the first time last Wednesday to interview the presumed guerrillas said they heard the same testimonies. The detainees showed reporters the marks left by the blows they received from the soldiers and said they spent between four and seven days without receiving any food. They were also blindfolded and had their hands and feet tied. All of the prisoners who were interviewed denied belonging to the EZLN.

El Salvador

U.S. Embassy Accused of Concealing Evidence in Crime

PA3101191994 Mexico City NOTIMEX in Spanish 1602 GMT 31 Jan 94

[Text] San Salvador, 31 Jan (NOTIMEX)—Today, Attorney General Romeo Melara Granillo accused the U.S. Embassy here of concealing evidence in a crime involving a U.S. military officer.

Jose Cresencio Diaz, a 54-year old Salvadoran who worked as a security guard for U.S. Major Ismael Lopez, was killed on 21 January and Lopez was involved in the crime.

Melara Granillo said the U.S. diplomatic mission hid the weapons reportedly used by Lopez, who, according to reports from the prosecutor's office, was transferred to one of the U.S. bases in Panama.

The U.S. Embassy argued Lopez had diplomatic immunity in order to refuse delivering the evidence to Salvadoran authorities, and therefore he was transferred from the country without having to go through the legal Salvadoran immigration procedures.

The attorney general noted: "The right thing to do would have been for the embassy to notify local authorities of this and to have held him in custody according to the law."

Meanwhile, National Civilian Police Director Jose Maria Monterrey said the diplomats want to misconstrue immunity with impunity.

Salvadoran authorities did not rule out the possibility of requesting the U.S. military officer's extradition through the Salvadoran Foreign Ministry.

Presidency Minister on U.S. Mission

PA3101231094 San Salvador Radio Cadena YSKL in Spanish 1710 GMT 31 Jan 94

[News conference by Salvadoran Presidency Minister Dr. Oscar Santamaria with unidentified moderator and local and foreign reporters in San Salvador on 31 January; broadcast in progress—live or recorded]

[Text] [Santamaria] ...in these cases, special matters such as the case of all diplomats assigned to a country. It means a diplomatic mission should not interfere with the investigations involving one of its members. Once we have the information given to us by the attorney general and the director of the National Civilian Police [PNC], as an official report for us, we would submit it to the Foreign Ministry, which is the appropriate office to review it. It will then depend on what they decide. If the laws have been violated by the mission, the Foreign Ministry will make it known at the proper time. What we can say now, as you said, is that both the PNC and the Attorney General's Office have deemed that certain members of the U.S. Mission, who were involved in this case, have violated Salvadoran laws.

[Unidentified reporter] Could the extradition of this gentleman be requested?

[Santamaria] The extradition process is a different matter. If a person is being tried for a certain case when these types of situations occur, the extradition institution is reviewed to determine if the person will be tried according to the national laws in the presence of the indicted person. That is a phase that will be determined once the process reaches the point of an arrest warrant being issued.

[Moderator] Jose Gerardo Lopez from LA PRENSA GRAFICA.

[Lopez] Last week, opposition sectors asked the PNC to report the weapons that were being confiscated since the law on bearing weapons will now go into effect. They want to know about the weapons that are being confiscated.

[Santamaria] The PNC is a legal institution in the country. It is not a private person who is confiscating the weapons. The weapons that are meant for the exclusive use of the Armed Forces are subjected to certain procedures. There are weapons that are confiscated and once it is determined who their owner is, the PNC would return them to their rightful owner as long as the legal procedures are followed. We believe the PNC is acting according to the country's laws. If there are doubts as to what is done or what is not done with the weapons, I can tell you that in the case of weapons for the exclusive use of the Armed Forces, they are submitted to the appropriate institution according to previously established procedures. When we talk about weapons illegally in the hands of private individuals, then we follow procedures established by the law on the possession of weapons.

[Moderator] Jorge Barahona from Teleprensa.

[Barahona] I have two questions. The first question is why is President Cristiani not with us. Perhaps you know why he is absent. Secondly, as for the case of the U.S. Embassy, we know that the U.S. Embassy is pressuring the government and is imposing quotas on textile products and coffee. In this situation, added to the situation of the PNC, why has the government not taken any action? Why has the Salvadoran Government not filed a protest?

[Santamaria] I would like you to explain it a little better because you said the U.S. Government was imposing quotas and then you talk about the PNC. What are you talking about?

[Barahona] There is interference in both areas, both in the police system as well as in the economic field. That is why I ask, if you are being pressured, why not take action?

[Santamaria] First, the president could not be here this morning for personal reasons. He has asked us to hold this news conference as he usually does on Mondays. I have already spoken previously and I said we would probably be participating in the Monday news conferences depending on the president's agenda.

We must note, however, that should any U.S. Government institution adopt certain attitudes or positions to pressure us into following specific guidelines, by conditioning the treatment our country will receive, as we have always said, we are sovereign, autonomous, independent, and will not be subject to pressures from any country. As we have said, countries that wish to cooperate with us can do so under the terms established by international laws.

As for aid or cooperation for specific purposes, particularly the assistance we have received recently in connection with the peace agreements, there are no conditions. As you know, the peace agreements practically determine the way in which each party will comply with the commitments. I mentioned the PNC because the former question implied that some authorities or members of the U.S. Mission interfered with the investigation of a case involving a member of the mission. The attorney general also referred to that situation as meddling or interfering in our affairs. What we ought to do here is apply the country's laws. When we believe some action is against the laws of the Republic, we must apply the law. We should not evade that responsibility. We must guarantee respect for the country's institutionality.

We believe in other cases when the aid is conditioned, it will depend on what the donor country or the country giving the assistance determines. We do not know whether the conditions are right now for establishing quotas or not. Generally, U.S. commercial policies in some areas are based on quotas. I do not know if this was the case. Maybe the economy minister could clarify this point. The truth is that within the framework of normal relations among countries and within the principle of respect for the sovereignty of each country, relations must be based on mutual respect. That is what our country has always demanded in its international relations with all countries. In no way will we act differently.

[Moderator] Guillermo Valencia, of EL NOTICIERO.

[Valencia] I understand that [words indistinct] a report on the possible admission of former Treasury Police [PH] and National Guard [GN] agents directly into the PNC without a previous evaluation. I would like to know if this report was completed and presented to Onusal [UN Observers for El Salvador] and if the report was confirmed or not.

[Santamaria] Well, first of all, I must clarify that it was not as you said. We are working with Onusal on compliance with the peace agreements on aspects related to the incorporation of the UEA into the PNC, in other words the Drug Interdiction Executive Unit, and the CIHD, the Commission to Investigate Criminal Actions. The decrees for the transfer and merger were already issued and approved by the Legislative Assembly, and therefore they became laws of the Republic. What is still pending is the government's compliance with an aspect concerning an evaluation of the members based on the agreements reached on 22 December 1992 between the government and the FMLN in the presence of the United Nations. The government, however, does not handle this unilaterally. It is handled based on agreement between both sides in the presence of the United Nations. Both parties agreed on what the evaluation would consist of, and on a course that members of those units must take at the Public Security Academy on humanist subjects, and on the new doctrine and philosophy of the PNC. Those are the only two requirements that must be met. After those two requirements are met, the merger will be made within the framework of the agreements. We have not incorporated any GN or PH member in this. Those are the two institutions that were functioning: the UEA and the CIHD, which according to the agreements were to be incorporated into the PNC. The FMLN agreed and signed those agreements, and the United Nations was present to witness those agreements. That is my opinion, which I believe is correct. I do not know if there has been any subsequent statement within a different context, which would not correspond to reality.

[Valencia] It has been said that former agents of those security agencies received very low grades in the academy, but were admitted in the PNC due to government pressures.

[Santamaria] No, that is not true. We have not enrolled any GN or PH members in the academy. All those who have enrolled are members of the National Police, as stipulated in the peace agreements. The only ones entitled to enroll in the Public Security Academy are the members of the National Police.

This is done based on their background history or sworn statements, it is not based on a simple personnel list sent by the government. There is a prior evaluation, then it is established if their application meets the entry requirements. If they meet the requirements they are accepted. This is what we have done up until now.

[Mediator] Antonio Alvarado, Cuatro Vision.

[Alvarado] I have two questions: first, will there be an official protest by the government with regard to the murder of the bodyguard? The second question is: Yesterday you were talking about the current problems with the peace agreements. The UN chief also mentioned some of these. He said that the reintegration problem was delayed to the extent that only one-third of the persons who were to participate have benefited from this program. He also mentioned delays in land distribution and in the training of the former combatants. We would like to you to tell us what is the solution to these considerations.

[Santamaria] Yesterday we mentioned that the reintegration program for former combatants is being implemented based on the work plans that were presented, previously approved by the FMLN and the United Nations. These were presented by the government at the negotiating table as part of the commitment made. True, there have been some delays, we have never denied that there have been some delays in implementing the program. Nevertheless, as foreseen, the program continues to be implemented. Work continues in each of the areas of the reintegration program. True, as [UN] Ambassador Ramirez Ocampo said, there have been some difficulties. We have never denied this. Some of these cases have been due to the lack of resources for the programs to tee off with the speed required.

In another turn of events, I have said that the FMLN has included other contingents to be benefited by those programs. These persons were not originally included in the programs. Many times this has destabilized the program's implementation. Also, at times the FMLN has not sent the information required, and on certain occasions the information has been altered or is untrue. It is very difficult to work with this kind of input for the implementation of a program. This is a program of specific actions, there is no rhetoric here; specific actions are required here.

To give you an example: If a 600, 1,000, or 1,500 former combatants are to be benefited one must know how many resources are available, to what area each person is to be assigned, and what is that program's cost. These references must be established in advance. If, however, at the time of implementing the program someone completely changes all the information or increases the number of persons benefited, that upsets the program that had been set up. Based on this, we have been experiencing a number of setbacks in this regard. Other times, there have been some difficulties in the operating phase.

Nevertheless, we want it known that in September we presented a land distribution plan. This was a plan to speed up the PTT, that is the Land Transfer Program. This is a program that has given some of the best results; thus was voiced by the United Nations. You all recall that Marrack Goulding [UN under secretary general] was here in November. He was the first to acknowledge that a significant contribution had been made with the PTT presented by the government, as it had a managing capacity that perhaps the program did not previously have. This has allowed us to increase land transfers to a number of beneficiaries that otherwise would not have been possible. This we have achieved. This means that the program, in the case of the PTT, has been giving us those results, however, we have also come up against difficulties there. The difficulties have been that when the time comes to draw up the land deeds, many times the persons who have to sign the documents do not show up. They give excuses, they give a long story why they could not come. But what happens then? Well, the date you had slated to meet that commitment is wiped out.

I truly do not want to be accusing anyone specifically, but when the PTT and the reintegration programs are analyzed, this should be done broadly.

I believe we have done enough and proof of this is that we have advanced to where we stand today. I said yesterday that the accumulated result of all the work done with the reintegration program for the former combatants and the beneficiaries of the reintegration program has allowed us to advance and we now manage the program completely. The land problem has not destabilized the current political situation because we have attended each specific issue and each problem has been given a response. We have—I repeat—encountered situations that have prompted interruptions and sometimes a delay in the program's implementation. However, I am sure we are managing the program adequately and am totally sure that we will satisfactorily conclude it within the established time schedule.

[Reporter] [words indistinct] protest by the government?

[Santamaria] On the....

[Reporter, interrupting] On the bodyguard's murder by the U.S. citizen.

[Santamaria] I have already said that we are waiting for the information from the organizations involved in the initial investigation, including the PNC and the Prosecutor General's Office. They have already publicly reported that several members of the U.S. diplomatic mission interfered in the investigation. Once we get an official report on the case we will send it to the Foreign Ministry so that it can present the case to the U.S. Government using the established diplomatic channels and procedures.

[Moderator] The last question, Mr. Minister, will be by Oscar Rene Lopez of Mayavision.

[Lopez] Good day, Mr. Minister. Two questions. One refers to the land problem. You talked about the dismantlement of the operational program for the transfer of land. At a given moment, will the government relocate the existing program to solve the deadlock, get up to date, and conclude its work on the established dates?

[Santamaria] Well, as I just mentioned, that is the work we have been doing permanently. We are constantly adjusting and readjusting the program to the existing situation. Different causes prompt the changes we make. However, the program—I repeat—is being implemented in conformity with the agreed time schedule. The time schedule was agreed to collectively. The government is not implementing those programs—I repeat—simply because it believes this is the way they should be done. No, we reached an agreement and have the approval of, in this case, the beneficiaries and the former combatants, both of the FMLN and the Armed Forces. The United Nations also supervises the program readjustments. However, our activities have had to be interrupted on several occasions and the program has been delayed. I

repeat, this happens when we are unable to accomplish an activity programmed for a specific date. The program is interrupted and we have to make changes and take several complementary actions which throws the schedule off. We report this to the United Nations. We, as well as the FMLN, meet with the United Nations representatives once a week. The FMLN meets with the United Nations representatives and we also meet with them to review and evaluate the program on a weekly basis. Based on this evaluation, a number of pointers and concrete suggestions are presented to make the program more effective. Thus, the land program has had some difficulties and delays but we have been overcoming them.

[Lopez] The second question: Copaz [National Commission for the Consolidation of Peace] was established about two years to deal with peace agreement compliance issues. This past week, however, it was reported that Copaz has serious administrative problems, especially of an economic nature. Will the government support this commission and contribute so that it can continue to verify compliance with the peace agreements as it has been doing up to now?

[Santamaria] Copaz is involved in a transition period, in which its role is to verify compliance with the peace agreements.

To verify, at the local level, that each party complies constitutes Copaz's fundamental role. Its role, I reiterate, is played within what we call the transition period. When Copaz has experienced financial setbacks, it has resorted to foreign cooperation sometimes, but from the beginning, the government has provided funds to Copaz. To date, the government has not stopped giving funds to Copaz. Based on the needs of organizations, they prepare a budget, present it to the pertinent authority—the Finance authorities, in this case—and based on whatever commitment they have, those authorities decide on the resources that are to be allocated to their plan. I do not know whether or not they have worked on this already, in addition to the statement you have mentioned [words indistinct]. Apart from that, their actions are in agreement with what we have done previously. When there has been a need for resources, the government has granted them.

[Moderator] Mr. Minister, here is another question by Amadeo Cabrera of "The News."

[Cabrera] Good Morning, Mr. Minister going back to the topic of the United States. Your government is awaiting the final report on the investigations. However, we would like to know if your government condemns the U.S. interference in the legal and police investigative process in this case?

[Santamaria] What we have said is that if there is any interference or intervention in the investigative process—which is nothing other than the implementation of our laws—that is a case that must be determined, and the investigations have not concluded. Once the investigations are over, we will issue an official report, which will be sent to the Foreign Ministry. We must remember that the government has an organization to deal with cases of this kind—the Foreign Ministry. The Foreign Ministry will have the responsibility to determine the causes, the circumstances of this interference so that we can present the case properly to the U.S. Government.

[Cabrera] However, there is a PNC communique, which says that the U.S. interference took place with consent in this case? We would like to know the government's position, does it condemn the U.S. actions?

[Santamaria] As far as I understand, the PNC has issued a public statement.

[Cabrera] Is there a fax that is addressed to you for you to take care of this case?

[Santamaria] Well, if Commissioner Pena Duran sends me the fax, he would have to act through official channels. I have not received any fax from Pena Duran yet. As I said before, as soon as I receive the official report, which must be issued by the director of the PNC, we will send it to the Foreign Ministry, which in turn will decide on any future actions with regard to the U.S. Government. I am not in any way saying whether it will or will not be done. What I am referring to is the usual procedure that is followed in these cases.

[Moderator] Now, Fausto Valladares will ask you a question.

[Valladares] Mr. Minister, in the past weeks, Fenastras [Salvadoran Workers National Union Federation] has indicated that the new labor code does not have the consensus of workers. Fenastras has pointed out that the new code, and Fenastras has begun also a wave of protests. [sentence as heard]

[Santamaria] This topic concerns the economic and social forum. What I can tell you is that the forum drafted an entire bill on labor legislation as a part of the agenda discussed by the three sectors. We understand that there was a moment in which there was a disagreement over some provisions or articles of the labor reform. However, there were many articles within the same framework that had been agreed upon, and were eventually sent to us. We, through the pertaining draft bill, sent it to the Legislative Assembly. I do not know if Fenastras is trying to voice a position as a sector by saying that it does not share the view expressed by all the sectors that participated in the forum. Perhaps they have a different view on what the labor reform should be, and therefore, they are making a value judgment by not agreeing with the reform. However, we would wait until they sent it to the Legislative Assembly. We know the bill is in the hands of a commission, and one the Assembly's duties is to listen to the sectors. What I do not know is whether Fenastras will be one of the sectors to present its position to the Assembly.

[Reporter] Is the forum fulfilling the goals for which it was created?

[Santamaria] Well, the forum is precisely one of the organisms created to sponsor a consultation. At a given moment the labor issue went beyond what was originally planned in the forum but what I want to say is that, regardless of the dispositions adopted by consensus—meaning based on a consultation in which the parties reached an agreement—there were apparently six or seven dispositions on which they did not reach agreement.

The option was clear concerning the six or seven dispositions on which they failed to reach an agreement. Remember the Inter-Union Association sent a draft code to the assembly; the (Fesinconstrans) Construction and Transportation Workers Unions Federation sent a draft code to the assembly; and everyone expected the government would be able to state its position on certain parts of the labor code that would be subject to a revision. Since no agreement was reached, everything dealing with a consultation at the forum level has been left in a quandary.

This does not mean each participant cannot personally do what he considers or believes appropriate. However, I think the essential thing is that an agreement was reached on most of the dispositions, and this indicates the forum was a success. Hence, it would have to be assessed from that point of view. The government has stated its position and we will see what the assembly says.

[Moderator] Thank you, Mr. Minister.

[Santamaria] Well, I also want to thank the media for the opportunity to talk with you. Thank you, everyone.

Guatemala

UASP, CD Fear Possible Fraud in 30 Jan Referendum

PA3001044094 Guatemala City EL GRAFICO in Spanish 28 Jan 94 p 7

[Article by David Flores Castillo]

[Text] The Labor and Popular Action Union (UASP) and the Democratic Convergence (CD) fear possible fraud in the popular referendum scheduled for 30 January.

Nery Barrios of UASP said that "without a doubt, we want the people to judge and issue their own opinions, but there are certain facts causing us to fear possible data manipulation [parcializacion] in violation of the law, for example, electoral fraud. Because of this, we reaffirm our stand of urging the population to abstain from participating in the 30 January referendum," Barrios added.

CD Representative Ricardo Cifuentes yesterday said that "the referendum only promotes permanent corruption and fraud by the designated President Ramiro De Leon. The Computation Department of the Supreme Electoral Tribunal (TSE) was eliminated and a private company was hired for the elections. This leads us to think that there will be fraud and irregularities in the 30 January referendum," Cifuentes added.

Government Refutes the Claims

President Ramiro De Leon criticized the position of popular groups for confusing the general public. "There is no fraud and will be no fraud in the 30 January referendum," De Leon added. The leader said that the people should vote and participate and not allow others to interfere with their constitutional right. He pointed out that he is urging people to vote yes because he thinks that this constitutes the legal solution to the crisis that has been facing the country's institutions since 25 May 1993.

Report Notes Teachers' Communique Urging Abstentionism

PA3001173694 Guatemala City Cadena de Emisoras Unidas in Spanish 1629 GMT 30 Jan 94

[Report by Gonzalo Palacios from Potpun, Peten Department]

[Text] Everything here is calm in terms of the referendum—except for an almost total abstentionism. There are 16 booths located in this municipality, and a few moments ago there were tables where nobody had gone to vote. It may be due to the fact the media's power of persuasion was not effective.

The teachers of Peten held a general meeting on 28 January and decided to urge the rest of the people not to vote. The teachers issued a communique, which states at the end: The teachers urge the citizens in general not to be deceived by the publicity campaign to vote yes or no in the upcoming referendum. Do not go vote in the referendum. This was one of the arguments raised by the teachers to El Peten residents.

The few individuals who have gone to vote are Indians. They were trucked into Poptun Municipality. We had the opportunity to listen to Benedicto Lucas, municipal mayor, who spoke in dialect to those who arrived, telling them to vote yes, because that was the thing to do. Everything has taken place normally. Only the UCN [Union of the National Center] installed its delegates but no other delegate at the polling booths. We will report on what is taking place throughout the rest of the department during the remainder of the day.

Electoral Tribunal Suspends Vote Count; 'Yes' Leads

PA3101133294 Panama City ACAN in Spanish 0718 GMT 31 Jan 94

[Text] Guatemala City, 31 Jan (ACAN-EFE)—The Supreme Electoral Tribunal [TSE] suspended for a few hours the vote count of yesterday's referendum after 85.7 percent of the votes cast had been tallied and the "yes-vote" had received 67.6 percent, with an abstention rate of 83.9 percent.

The TSE announced at 0100 (0700 GMT) that it would not provide further information for several hours, because "most" of the votes had been tallied, and only 843 out of 5,897 polling stations had not been counted.

According to this latest official report, which politicians and authorities have recognized as practically unequivocal, the negative votes added up to 12.95 percent, with null or blank votes at 19.3 percent. President Ramiro de Leon Carpio said he was satisfied with the "yes" victory and downplayed the abstention, although he admitted it was "worrisome."

The 43 approved amendments make it possible to hold anticipated elections this year to name a new Congress and Supreme Court, two branches that de Leon has wanted to purge due to the charges of corruption that were leveled against those institutions. Unexplained bomb attacks that had begun in the past few weeks continued on voting day. Two devices exploded in Guatemala City, and the police defused three others.

Preliminary Figures Indicate Referendum Approved

PA3101145294 Mexico City NOTIMEX in Spanish 1117 GMT 31 Jan 94

[Text] Guatemala City, 31 Jan (NOTIMEX)—Sunday's constitutional referendum reforms package was approved by yes votes totaling 67.65 percent, although there was an abstention rate of 83.9 percent, according to preliminary figures disclosed after midnight last night.

A total of 3,439,405 Guatemalans cast their votes on 30 January to approve or reject 37 articles of the Constitution. Among other things, the reforms shorten the legislative and presidential terms and restructure Congress and the Supreme Court of Justice.

After accounting for the votes cast in 280 of the country's 330 municipalities, Guatemala's Supreme Electoral Tribunal [TSE] confirmed early today that barely 16.01 percent of registered voters had participated in the referendum.

After the preliminary results were released, President Ramiro de Leon Carpio, during a news conference held at TSE's computation center, called for a "national agreement" to overcome the country's political, economic, and social crisis. De Leon admitted the results indicate an exhaustion of the democratic system, which demands from political, entrepreneurial, union, and popular sectors, as well as the Church, greater responsibility and participation in the country's leadership.

Hours earlier, before arriving at the TSE, de Leon expressed his satisfaction over the yes vote's "triumph" and said, albeit minimum, this result was an expression of the people's will and must be respected.

According to the TSE, 5,054 polling sites had reported, and 843 were pending at 0100 (0700 GMT). The reported 5,054 sites had produced 319,550 yes votes, 61,212 no votes, 84,820 void votes, and 6,768 blank votes.

Electoral authorities said the results of all polling sites will be reported in a few hours, because the votes of many distant villages with scant communications have yet to be accounted for.

Speaking to the press at 0030 (0630 GMT), de Leon demanded the establishment of a "Governability Pact" to overcome the country's serious backwardness. He urged the guerrillas to sign peace to make it possible for the country to move forward. The president pledged to sign peace with the rebel National Guatemalan Revolutionary Unity [URNG], establish economic and social peace, and launch a moral "bloodless" revolution.

De Leon Carpio stated that henceforth Guatemala will begin to march on the path of stability and governability, after pledging to strongly promote economic plans and security measures.

The head of state affirmed the referendum met the Guatemalan people's expectations, but he expressed regret over the high rate of abstention, something that must be of concern to the political parties, he said. He reiterated, however, that "regardless of the result, democracy is getting stronger."

Regarding the possibility that the Social Multisector Forum (Foro Multisectorial), which represents unions, mass, and business groups, may challenge the vote result, de Leon warned it is uncalled for, because the law does not demand a percentage in the referendum.

Sunday's voting took place under a tense climate due to terrorist threats and bomb explosions, as well as due to the rejection of political and social organizations that urged the people to vote "No" or cast a blank vote.

Upon arriving at the TSE last night, the president admitted voter abstention "happens everywhere in the world," but he attributed the low turnout to last week's attacks,.

With the approval of the amendments, the term of the president and the Legislative Branch is cut from five to four years, and the Supreme Court term from six to five years. The president's confidential expenditure and the shared vice president's responsibility in the president's activities will be eliminated. The amendments ban the Monetary Board, the regulator of the economy, from authorizing the Bank of Guatemala from finance state, decentralized, autonomous, and private nonfinancial entities. Budget allocations for the country's 333 municipalities went from 8 percent to 10 percent of fiscal revenues.

The government's ability to transfer funds from its investment programs to its operations plans or to repay the public debt will be eliminated. In addition, extraordinary expenses related to the national budget will be suppressed.

Concerning the Judicial Branch, the Supreme Court of Justice will consist of 13 magistrates instead of the current nine, and this institutions' practice of nominating its own candidates to magistrate positions will be annulled.

The District Attorney's Office (MP) will no longer represent the state, which from now on will be represented by the Attorney General's Office. In addition, the Guatemalan Prosecutor General's Office is created.

The legislative reforms are expected to become effective within 60 days; fifteen days afterward the TSE will summon elections to renew the current Congress within a 120-day period.

Newly elected deputies will be sworn in one month after the elections and will replace the current deputies whose term was scheduled to concluded on 14 January 1996, the date when the congressmen elected during the 1995 general elections were slated to take over.

Eighteen months after the new reforms have entered into effect, the president must forward a bill to Congress aimed at modernizing the government system.

Congress, in turn, will determine the mechanisms to modify the Comptroller General's Office, the District Attorney's Office, and the Supreme Court of Justice.

Sunday's referendum, which entailed a $2-million expenditure, was held under strict security and military patrols, and public transportation was halted.

De Leon Interviewed on Referendum Results

PA3101181094 Guatemala City Teleonce Television in Spanish 0600 GMT 31 Jan 94

[Interview with Guatemalan President Ramiro de Leon Carpio by unidentified reporter at the Supreme Electoral Tribunal facility at the Industrial Park in Guatemala City; from the "Telepress" newscast—live]

[Text] [Reporter] Mr. De Leon, do you believe the country's institutional problem has been resolved with the victory of the yes vote?

[De Leon] I think the yes vote has resolved the institutional problem we had been experiencing since 25 May. The very fact that a popular consultation was held is an advantage for the Guatemalan people. The very fact that it happened in spite of the obstacles [word indistinct] and terrorist acts consolidates the process, because in the eyes of the Guatemalan people and the world, we resolved a problem that had existed since 25 May through peaceful, constitutional, and democratic means. What events? The people wanted a purge, and with the victory of the yes vote over the no vote, they managed to purge three branches of state. The deputies will go and there will be a new Congress and a new constitution. Therefore, the branches of state will be reorganized.

But to answer your question, I say yes, the institutional problem has been resolved because there was an impasse. The solution came late, because the people wanted this situation to be resolved earlier. But today the Guatemalan people can have peace of mind because we have turned this page of Guatemala's history and we can now deal with profound issues such as the country's economic and social problems.

[Reporter] Did the abstention say anything to you?

[De Leon] Yes, of course. First I must point out that today's electoral event was marked by some very special characteristics that led to abstention. I am not making excuses, but the situation must be examined. This was a very special, unprecedented event in Guatemala. From the electoral standpoint, no local authorities were being elected. Residents of municipalities, for example, are interested in electing their mayors, deputies, and president. In this election they were voting for something that was not clearly understood by everyone. There was a lot of confusion, misinformation, or a shortage of information. In other words, the circumstances surrounding the event were adverse. If we couple that with the terrorism, blackmail, and numerous obstacles confronted by the voters, abstention was to be expected. In any electoral event anywhere in the world, abstention is natural and was to be expected in Guatemala. Nevertheless, the Guatemalan people should acknowledge the high rate of abstention and should be concerned about it because, in my opinion, it shows that the democratic system is somewhat exhausted.

[Reporter] Do you dismiss the possibility that it was a form of protest against the format of the consultation?

[De Leon] I do not think it was precisely against the format of the consultation. I tend to think that on one hand it shows the Guatemalan people's exhaustion, and on the other their rejection of the (?democratic) system. The Guatemalan people are tired and indifferent, and that is dangerous. That is why I say we should all be concerned about the democratic system's failure to give the people the answers they wanted. We have had this system since 1986 when the first constitutional period began following a constituent assembly, and Guatemalans still have not seen an improvement in the situation. On the contrary, in some ways the situation has grown worse. Herein lies the danger, and that is why I believe we should be concerned over today's abstention rate. We must think about the congressional elections that will be coming up within five months and the general elections within a year. I don't think we should have such a high abstention rate.

[Reporter] From now on, taking for granted the victory of the yes vote, of course, do you believe the deadlines established in the reforms will be respected?

[De Leon] Of course. They must be. First, Article 33 of the constitutional reforms states that the reforms will go into effect 60 days after being confirmed by a popular consultation.

These measures correspond to the government agenda for 1994 and 1995, the present circumstances, and the government policy to meet the goals proposed for 1994 and 1995. I cannot give details ahead of schedule, but I can say that they are of a monetary, fiscal, political, and economic nature.

[Reporter] [Question indistinct]

[De Leon] The Supreme Electoral Tribunal [TSE] enjoys full credibiiity. It is about the only institution enjoying the full faith of the Guatemalan people and the international community. The TSE does its duty. The constitutional reforms will go into effect 60 days after the referendum. The TSE then has 120 days to convoke congressional elections; that is, the TSE could hold the elections for a new congress around 30 July. All the executive has to do is enforce the law and defend the Guatemalan people's interests. But the law cannot be mocked. The Guatemalan people know about the TSE's principles and commitment to duty and that the TSE will do what it must within the deadline. I don't think we have any reason to worry about this.

[Reporter] [Question indistinct]

[De Leon] In the first place, it is their right to use any legal instrument or resource and to take any actions to oppose the event for this or any other reason. I can tell you in advance, however, that such a move does not stand a chance because the law is very clear. Approval does not require a specific and greater percentage. This was a relative majority. The yes vote won over the no vote by approximately 100 to one. There is no doubt. The high abstention rate is the responsibility of those who did not cast their votes. Those who did represented the rest, therefore there can bae no challenge from a legal viewpoint.

Gives News Conference

PA3101215594 Guatemala City Teleonce Television in Spanish 0630 GMT 31 Jan 94

[News conference by Guatemalan President Ramiro De Leon Carpio with unidentified reporters at the Supreme Electoral Tribunal facility at the Industrial Park in Guatemala City; from the "Telepress" newscast—live]

[Text] [Reporter] [Question indistinct]

[De Leon] Regarding the results, as I said a moment ago, results are what matter in politics. Here the results are that the yes vote won over the no vote; that is what matters. What is worrisome, not just for the government but for the entire country, is the high abstention rate. We must strengthen the political parties system through a purge and a reorganization. We must think about this situation because it means that somehow the system may be exhausted or that many Guatemalans may feel that it is.

However, we must also take into consideration the fact that the consultation was an unprecedented electoral event marked by a number of very special situations. No local authorities were elected. Voters usually pay more attention when they are electing a mayor, deputy, president, or vice president. Added to this are the vicissitudes that preceded today's electoral event as well as the terrorist incidents the day before the consultation. Abstention exists in Guatemala and anywhere there is an electoral event, but in this case it was rather justified.

Nevertheless, we must acknowledge that the abstention rate was too high. We should all be concerned about this because, in my opinion, it is either a sign of exhaustion in the democratic system or of the Guatemalan people's desperation because they have yet to see any positive results since 1986, when the democratic process in Guatemala began with a number of problems and attempts to disrupt institutional order, and the actual disruption of that institutional order on 25 May.

So we should be concerned. Every leader, every person who represents some level of power should take action so in five months the congressional elections will not see such a high rate of abstention, much less the general elections to be held within the year. It would be even more serious if that were to happen in a general election.

[Reporter] [Question indistinct]

[De Leon] The people's clamor began with the 25 May events. We managed to meet some of their demands by purging the executive branch and appointing a new president, vice president, and ministers. We are still working on the purge. Much remains to be done. We are still making changes and we are about to finish the process. However, the Guatemalan people are not satisfied with that and they are demanding that the president purge the two other branches of state. We have been discussing this for almost eight months.

The president of the Republic has implemented legal, democratic mechanisms, being the eminently democratic president that he is. During the initial phase he asked the branches of state to conduct a self-purge and demanded the resignations of deputies and justices, but those resignations were not forthcoming. In view of this initial failure, the president introduced the second phase by calling for a popular consultation. The Supreme Electoral Tribunal determined that it would be held on 28 November. The months went by and, of course, the people encountered other problems and concerns. Although they continued to make demands, they became justifiably desperate.

The Constitutionality Court interrupted and suspended the popular consultation in a decision with which I did not at all agree but which I had to uphold because ours is a de jure system. In response to the crisis that was already emerging, the Court reached an agreement that has been criticized but which, in the opinion of the president of the Republic, constituted an effort by the state to prevent an even greater crisis. We reached an agreement which, in the end, led to the same goals: a purge, reorganization, and the departure of the deputies,

albeit not as quickly as the people wanted, but their departure nevertheless, which was decided today by the Guatemalan people.

Meanwhile, the time that passed—and this is my opinion, because a much more thorough examination must be conducted—led to the people's disillusionment and to the lack of enthusiasm that existed at the outset. In response to the conclusions, the misinformation, and the lack of information, the people had to cope with a very confusing consultation. This can happen anywhere, and in this case it happened in a country where there is no deeply rooted democratic or civic culture. On the contrary, we are just now establishing such a culture, and I think that is why we have seen this change. That is why we have seen such a high percentage of abstention. However, that does not mean that the people who did not vote did not want the deputies to go. You can rest assured that their intentions are the same, but the circumstances surrounding the consultation, the formal part of it, may have prevented a massive turnout for the elections. That is my opinion.

[Reporter] [Question indistinct]

[De Leon] That will be revealed when the measures are adopted. If I reveal them now, they will not make an impact.

In other words, within 60 days the reforms will be part of the Constitution, and within 120 days there will be a call to elect the new Congress.

[Reporter] The Supreme Electoral Tribunal [TSE] president said that 120 days was the minimum term, not that the call had to be made within the 120 days.

[De Leon] It is the minimum, but according to what has been discussed and according to what must be done, it means that once the constitutional reforms go into effective, there is no reason not to issue the summons. Elections for Congress will come 120 days later. There should be no reason for the TSE not to obey the summons the Constitution must make during a minimum term of 120 days. What is not allowed is to issue a summons prior to 120 days. We can assume it will be after 120 or 121 days; in other words, another four months.

[Reporter] What would your position be toward possible delays by members of Congress or other organizations that might set back this timeframe?

[De Leon] This will not take place at a political party level or at an institutional level. There is an agenda, a commitment, an agreement that includes electoral and political party reforms, which must begin to be drafted next week. The same holds true for the (?in-house) rules. There could be several individual deputies who may try and stall things. My position has nothing to do with justice tribunals. Instead, it will be dealt with by the appropriate authorities. In view of the way the vote took place—this I say as a lawyer, not as president—I do not think there is room for any sort of legal challenge. However, any deputy could do so.

[Reporter] Would you say we will have a new Congress this year?

[De Leon] Definitely. A new Congress must be installed this year. Otherwise it would be another blow to the Guatemalan people, which I would say is dangerous—more dangerous than what we just spoke about. The Guatemalan people have been very patient, but there are limits. You can't play around with the people. The people should feel satisfied from today that they have achieved their objectives and their petitions have been resolved or will be resolved in a matter of months. There cannot be any more playing around with the people.

[Reporter] Some deputies plan to and have even issued communiques saying that they plan to lodge appeals of unconstitutionality, especially regarding the article that deals with cutting their mandate. Do you think that is possible? Do you think this could set everything back?

[De Leon] I sincerely do not think so. There is no legal basis for this, and there have already been legal studies of the issue. Politically speaking, if some legal entity dared to issue a ruling, I don't know what would happen in Guatemala. Only time will tell what will happen if someone wants to take this risk. I do not think there is a legal entity that would dare. Anyway, it has no legal basis.

[Reporter] How will you work with Congress from now until the end of their term?

[De Leon] Considering all that has taken place since I became president, I think there has to be an interrelationship of tasks between the three government branches. There has to be an interrelationship because the state's goals are the same. There is only one state, therefore everyone must have the necessary awareness and maturity to do their jobs until the end of their term. They have a legislative agenda. I think they are aware of this and will try to recover their lost prestige, improve their image a bit, and carry out their legislative work. In my case, it means achieving goals and fulfilling the government plan with the available funds and with the decisionmaking authority that I must have.

[Reporter] What about the relationship?

[De Leon] The relationship must be an interrelationship. It might be nothing more, but it cannot be anything less.

[Reporter] Some of them [not further identified], including a political leader who is involved in one of these organizations involved in the reform process, spoke about a governability pact. Would you enter any sort of governability pact with these people?

[De Leon] I think the governability pact should involve all sectors of Guatemalan society. In this sense, of course, it is the duty of the president, who, according to the Constitution, represents national unity.

Now is the moment to reach agreements—agreements between the various sectors that make up Guatemalan society, but most especially a great national agreement. We are working precisely to attain these great agreements that allow a governability pact, which is essential to a transition government such as this one. It is essential in order to survive until the next administration which will have long-term plans or at least medium-term plans and which could have a much more favorable environment than the one I had to deal with when I became president.

[Reporter] Much criticism was leveled on the talks between the Legislative and Executive Branches, which resulted precisely in the constitutional reforms. Aren't you afraid that speaking at this moment of a governability pact could be seen as a new pact with these people?

[De Leon] That is why I mentioned a great national agreement. When I speak of a great national agreement I refer mostly to the first stage, which should be the country's productive sector—capital and labor, entrepreneurs and workers—and start there. When I speak of entrepreneurs and workers, I also refer to the public sector: help restructure the public sector and hold dialogues to attain efficiency in the public sector, attain reduction, even attain salary increases, but not through a larger payroll, rather by restructuring the public sector. In the case of the private sector: reach agreements between entrepreneurs and workers that will give the government time to take up the measures it needs to take. Afterward, the months will pass and with a new Congress and a restructured state within certain government organizations, then we can possibly involve the political sector to avoid precisely what worries you.

Mind you, before this takes place I believe there should be an understanding, I repeat the term once again, an interrelation of tasks between both branches of government that will allow Congress to develop a legislative agenda and carry out its work.

Expresses 'Satisfaction'

PA3101131194 Panama City ACAN in Spanish 0524 GMT 31 Jan 94

[Text] Guatemala City, 31 Jan (ACAN-EFE)—Despite voter abstentionism bordering 83 percent, Guatemalan President Ramiro de Leon expressed his "satisfaction" with the "yes" victory of today's constitutional referendum.

Nevertheless, in statements to the media, de Leon acknowledged that the "yes" victory—which garnered 84 percent of the votes when only 51.5 percent of the total votes have been tallied—did not reach the expected magnitude.

"In politics, what really matters, however, are final results," the president said, downplaying the 82.8-percent abstentionism evidenced by preliminary Supreme Electoral Tribunal [TSE] results.

"The Guatemalan citizen voted and represented those who decided not to vote," the president said.

The head of state attributed low voter turnout to the peculiarities of the referendum as well as to fears of possible terrorist attacks, such as ones the that occurred today and in the previous weeks during which dozens of bombs exploded, killing one, injuring 18, and causing numerous property damage, especially to the country's electrical system.

De Leon said in 60 days the reforms will become effective, and afterward the country's Supreme Court magistrates and deputies will have to resign. Last year, the president went through a power struggle with Supreme Court magistrates and deputies when he attempted to purge both institutions due to charges of corruption.

The president believes today's referendum marks a new page in the country's history, and he announced that once the Legislative and Judicial Branch problems were solved, he will be able to direct his efforts to the struggle against corruption and impunity. Both the Legislative and Judicial Branch will be changed once general elections, which have been rescheduled for an earlier date as contemplated in the constitutional reforms, takes place.

Electoral Tribunal Declares 'Yes' Victory in Referendum

PA3101222194 Mexico City NOTIMEX in Spanish 2116 GMT 31 Jan 94

[Text] Guatemala City, 31 Jan (NOTIMEX)—The Supreme Electoral Tribunal (TSE) today confirmed victory for the "yes" vote in Sunday's referendum with 83.95 percent of the votes cast by 15.87 percent of Guatemalan voters.

When the count was finished in the 5,897 polling stations in 330 municipalities, the TSE confirmed high abstentionism which reached 84.13 percent in the referendum on 30 [number as received] constitutional reforms. There were 370,044 "yes" votes; 70,761 "no" votes; 97,107 annulled ballots; and 7,982 blank ballots. Of the ballots that were to be handed out to 3.4 million Guatemalans eligible to vote, 2,890,533 were not used.

The results confirmed the predictions of political analysts about the people's indifference to the referendum, which favored the "yes" vote.

The TSE indicated that Sunday's abstentionism was the highest ever in any general election or referendum in this country, whose history is marked by dictatorial regimes and traditional electoral apathy.

De Leon Remarks on Human Rights

PA3001225694 Guatemala City Teleonce Television 1900 GMT 26 Jan 94

[From the "Teleprensa" newscast]

[Excerpts] President Ramiro de Leon Carpio said today Guatemala's aspirations at the next UN Human Rights Commission meeting are not limited to being transferred from one category to the other among the nations that are a matter of concern to the international community on this issue [sentence as heard]; on the contrary, according to the Guatemalan president, Guatemala seeks to be included among the nations that do fully respect human rights.

The president's statements were made after he was asked to give his opinion on the report presented yesterday to Congress by Jorge Mario Garcia La Guardia, the human rights ombudsman. De Leon Carpio answered reporters questions shortly after swearing in Marithza Ruiz de Vielman, the new foreign minister who replaces Arturo Fajardo Maldonado. Here is what President de Leon Carpio said:

[Begin recording] [De Leon Carpio] I am very pleased with this report, particularly regarding the right to life, which is a fundamental right. I have been unable to read it all, but, according to the comments I have read in the press and the document that I have—although I have been unable to read it all—there is a marked disagreement in the number of extrajudicial deaths, in the number of missing individuals, in the number of illegal arrests. Even though it has been spotlighted that there are more violations—that is, more accusations, 13,000 as opposed to 9,000 last year—half of the year or seven months correspond to the current government. As far as the numbers are concerned, I am satisfied.

I can say sincerely that I am satisfied that the most credible institution—the institution that within the state is in charge of the defense, protection, and fostering of human rights—has issued a report in which although reality has been highlighted, it demonstrates progress; it demonstrates effort in these first seven months of my government.

The numbers, as I said, are very satisfying. True, there are still serious problems with individual human rights; there are multiple accusations of human rights abuse, of violations of human economic, social, and cultural rights. Nevertheless, the current government does not want to be satisfied with the fact that out of those thousands of accusations, a lesser number of violations were proven regarding the previous year.

The current government has the political willingness for the nonviolation of human rights in Guatemala; this is considering the qualitative side of human rights. At this phase and given that the former human rights ombudsman is now the president of the Republic, we cannot be satisfied that quantitatively we are better off than last year. Now is the time to consider the issue qualitatively. One cannot say human rights are being violated more or less; this is why we must prepare the necessary measures this year, after having consolidated the nation's institutions, after having consolidated the democratic system, which is still fragile. Nevertheless, we have made great progress.

For example, one of these is the return of Communities of Resistance People under commissions that will be made public to you subsequently. Another example is the peace agreement that will be signed this year, in keeping with the framework agreement signed in Mexico. In this agreement both parties have agreed to sign a peace agreement this year. This demonstrates the political willingness that has to be made reality. We must eliminate the main source, something I always mentioned as human rights ombudsman; that is, the internal armed conflict which has been ongoing for more than 30 years. Once this armed conflict ends this year, fulfilling our commitment, the main cause, the main source of human rights violations will disappear. This is particularly true of the violations of the right to life, integrity, physical integrity, dignity, liberty, security and so on; therefore, there is progress.

Yesterday you witnessed the fulfillment of another commitment: the departure of the military detachment from Tercer Pueblo. They departed from the urban area, leaving it for those who returned after being refugees for so many years in Mexico; that is, we are progressing, fulfilling our commitments. This does not mean we are not objective, that we do not accept the reality that exists in Guatemala.

I reiterate: I am pleased with the report. We will analyze the report, read it more carefully; nevertheless, in principle, given the quantitative data, we are satisfied. This does not mean we do not have to initiate many actions and efforts so that Guatemala is not only analyzed if human rights are respected more or less here. Qualitatively, the situation should reach a level of absolute respect; this respect first should be of individual human rights, followed by the respect of economic, social, and cultural human rights. This is more difficult and does not depend totally on the government's political willingness, as their violations are the result of legal, political, economic, and social structures that have prevented the respect of these human rights.

Meanwhile, I want to say that now that the study and analysis of Guatemala by the UN Human Rights Commission in Geneva is drawing near, our goal is for Guatemala not to moved from one point to the other on the agenda. Our goal is for Guatemala to be considered as a nation where human rights are going to be fully respected.

[Unidentified reporter] The report, it appears, has asked for or requested the dissolution of the Self-Defense Patrols. What is your position?

[De Leon Carpio] This has a great advantage. In practice we are already doing this. In those areas in which these are no longer required—that is, the self defense committees or patrols—they have been converted into peace and development committees. Given their organization, once they do not have to have weapons, it is convenient, if they wish, to continue organizing, developing, and helping the community. This is part of what is being done this year, and I have issued orders in this regard. We will make public the number of patrols that have already been turned into peace and development councils; subsequently, this will continue to take place. In addition, there is the advantage, or we have the advantage, of the resumption of peace talks, where the Guatemalan National Revolutionary Unity and my government will definitely broach this issue. Given the commitment we have to sign peace this year, at this time there will have to be a demobilization, a disarmament of all the patrols that could still exist at that time.

You will recall that in Huehuetenango a leader of the Civilian Self-Defense Patrols handed me a rifle that meant, in his words, that the moment the peace agreements are signed, he, in a symbolic gesture, would hand me the rifle because it meant there was no longer a need for them to be armed.

In the meantime, following recommendations not only by the human rights ombudsman, but by the independent UN expert adviser Dr. Monica Pinto, we have instructed that the full force of the law be used in cases where patrolmen break the law or abuse power through the patrols and that impunity not be encouraged or made easy, which is often the case with these types of abuses committed by certain patrolmen.

[Unidentified reporter] [question indistinct]

[De Leon Carpio] I appreciate the question because right here I have a note from the Supreme Electoral Tribunal [TSE] requesting that the president of the Republic give Monday off because many public employees are working at the polling tables. It also allows many public employees who do not vote here, but in other municipalities instead, to cast their ballot. Regarding this, the presidency secretary general has sent the TSE a reply note to that request and suggestion. Not only will special permission be granted for Monday for those who work at the polling tables, but for all public workers. This will facilitate the comfortable move without problems, to their respective municipalities on Monday, in addition to celebrating the yes vote. [passage omitted]

[Reporter] [Words indistinct] that you have been in direct contact with President Salinas. We want to know if there has been an official communication; if the Guatemalan Government has offered military help, in this case [words indistinct] in Chiapas?

[De Leon Carpio] The relationship between President Salinas de Gortari and myself has always been very direct. This situation was strengthened even more at the meeting we held in Salvador, Bahia, Brazil, at the Ibero-American presidential summit. Given the situation the Guatemalan, sorry, the Mexican people are suffering, I immediately contacted him to express my solidarity, to express through him to the Mexican people, the Guatemalan people and their government's grief. We know about this because we have been suffering these consequences for more than 30 years and we believe it is regrettable and unfair that the Mexican people now must endure the consequences of an insurgent force, of an armed conflict that only leaves behind widows, orphans, destruction, death, desolation, hate, and hostilities. We think it is unfair that the Mexican people should endure this, as in the end it is the people who suffer the greatest consequences. Therefore, we have been in contact; we have indicated to him that we have full faith in his capacity, we have faith in his government's ability.

We hope that shortly, through dialogue and measures taken by the government, those who have mistakenly taken up arms will reconsider their position and realize that road is obsolete here, in Mexico, and in any part of the world. The road for changes, the peaceful, silent revolution, is that of the struggle, although no longer between brothers. Rather, now it is the struggle against corruption, the struggle against poverty, the struggle for economic and social development, and the struggle for an overall peace with social justice for all. We hope that this road can be reached. In this regard, there is a close relationship. There is no offer on the part of the Armed Forces or of the government to participate. We are very respectful of nations' sovereignty; in this case, a neighboring, friendly nation such as Mexico. What is certain is that we are prepared on our side of the border, on the Guatemalan side, to avoid any incursions by the subversive groups that have sprung up in Mexico. [end recording]

De Leon Warns Transportation Sector Against Striking

PA0102003594 Guatemala City SIGLO VEINTIUNO in Spanish 30 Jan 94 p 5

[Article by Juan Carlos Ruiz and Leonel Gutierrez]

[Text] President Ramiro de Leon Carpio threatened truck drivers yesterday and said that he would intervene "if they continue with their blackmailing practices."

Interviewed following the Honor Guard anniversary celebrations, de Leon said that "the members of the transportation sector agreed not to adopt illegal positions but they failed to keep their word, which shows irresponsibility." The president said that "fortunately" all gasoline stations are working normally and that his government is not willing to accept these types of pressures. He even went on to say that if it became necessary he would take legal measures and "if it were required he would resort to intervention because the Constitution gives him the authority. Therefore, they should accept the consequences."

He noted that the Constitution states that when public services are adversely affected the government may intervene, so the people can rest assured they will have fuel without any inconvenience. "That is what they are trying to provoke. They are trying to blackmail the government by taking advantage of the referendum situation."

Ramiro de Leon, however, said that once the referendum process is over, the president will act firmly on behalf of all people and "not on behalf of a small group of irresponsible people." He added that of all the demands made by the transportation sector some have already been resolved and the rest are in the process of being resolved. That is why the strike announcement by transportation sector members to frighten the population is illegal, inappropriate, and shows their irresponsibility.

De Leon said the intercity and international freight transportation bills have already been drafted. As for other types of transportation bills, legal rulings have determined that they are unconstitutional, which have prevented them from passing.

As for cement price changes, he pointed out that the Communications Ministry has already drafted an agreement to deal with this request, which means it is being resolved. As for a 4-percent tax retention by the internal revenue office, it was determined that it is applicable to all persons who provide any kind of service and do not hand out authorized receipts. That is why the transportation sector must pay this tax.

Finally, de Leon Carpio said that as for transportation fares, members of the transportation sector were invited to meet with the economic cabinet on 2 February, as is government policy, in order to find a viable solution to the problem.

Transportation Sector: Decision To Strike Remains Firm

Meanwhile, Miguel Angel Luna Gamboa, president of the National Transportation Coordinating Board [CNT], said he was surprised to hear the president's statements and reiterated that the entire land transportation sector is determined to go ahead with the strike. He added that the movement they are promoting is not politically oriented. Proof of this is that during the electoral event they will work nonstop. That is why "the president's statements are unfair."

What happened, he said, is that the president is trying to mix economic and political problems, but the CNT reiterates that its demands are administrative in nature. "If the problem is not resolved it is because there is no presidential, ministerial, or political willingness to solve it," Luna Gamboa said.

Threatens To Intervene

PA3101225094 Panama City ACAN in Spanish 1548 GMT 31 Jan 94

[Text] Guatemala City, 31 Jan (ACAN-EFE)—Guatemalan President Ramiro de Leon Carpio warned today that he would intervene in urban freight and passenger transportation if the transportation sector initiates a strike tomorrow, 1 February, to pressure the government into approving new fares. De Leon said he would not allow the transportation sector to go on strike and that he would take legal measures, including intervention.

A truck strike could lead to a lack of fuel and losses for the industrial and commercial sectors, but Energy Minister Jose Luis Terron has guaranteed gasoline and diesel supplies.

Miguel Luna, president of the National Transportation Coordinating Board, reiterated today that the decision to stage a strike on Tuesday remains firm if the government does not find a solution to the sector's demands. Luna has not revealed the amount of fare increase they are demanding for cement and fuel transportation, but he reiterated that the decision to strike is firm.

Police Spokesperson Says 1 Bomb Defused, Another Explodes

PA3101125294 Guatemala City Cadena de Emisoras Unidas in Spanish 1219 GMT 31 Jan 94

[Report by Jorge Celis]

[Text] The National Police public relations spokesperson reports on last night's bomb scares. One of the bombs was defused, and the other exploded at 12th Street and 19th Avenue in Zone One.

[Begin unidentified spokesperson recording] Two bomb scares were being handled. One was defused at 40th Street and 3d Avenue in Zone Three, behind the quarters of the National Police 1st Brigade [words indistinct]. The other, a fragmentation grenade, was thrown against a house. We cannot assume the last one was part of the terrorist actions that have been taking place in Guatemala City. We believe it could have been hurled at a private home, but we do not know which one, perhaps by someone who was inebriated. [end recording]

Suit Filed Against U.S. for Restrictions on Tobacco Imports

PA2901233394 Guatemala City PRENSA LIBRE in Spanish 27 Jan 94 p 3

[Text] Guatemala appears on a list of nations that have filed suits against the United States before GATT for imposing restrictions on its tobacco imports, causing serious distortions to the economies producing that agricultural product.

It was reported that after two days of discussions in Geneva, the GATT signatories said they will form a

panel to debate U.S. protectionism for the tobacco market. The long dispute initiated by Brazil, Chile, Colombia, El Salvador, Guatemala, Thailand, and Zimbabwe is aimed at modifying U.S. legislation regarding the use of imported tobacco by domestic industries.

At this moment, 75 percent of the tobacco that is used for U.S. cigarette production comes from U.S. suppliers.

New Foreign Minister Sworn In, Deputy Ministers Named

PA2901223294 Guatemala City Teleonce Television in Spanish 1900 GMT 26 Jan 94

[From the "Telepress" newscast]

[Text] President Ramiro De Leon Carpio swore in the new minister of foreign relations during a ceremony held Wednesday morning. Marithza Ruiz de Vielman assumed the position that had been held since June by Arturo Fajardo Maldonado.

Ruiz de Vielman is the second professional to join the cabinet in less than 24 hours, after the president swore in Ana Ordonez de Molina as new finance minister on Tuesday afternoon. The changes within the cabinet correspond to the new direction adopted by the president as part of his work agenda for the current year, according to De Leon Carpio.

[Begin De Vielman recording] [Words indistinct] to achieve satisfactory results. Guatemala is a country that is struggling to consolidate its democracy, strengthen its Constitution, attain peace, and gain openings in international trade. To that end, we need the assistance of a team and the confidence that we can carry out that task.

We are a country that, just as any other developing country, has very limited economic resources. Consequently, we must increase the effectiveness of our missions abroad and the effort of the people who work here at the Foreign Relations Ministry to achieve all said objectives. As I said before, these objectives must be achieved with very limited resources, but we are hopeful and confident because Guatemala deserves it.

In addition, I want to thank Dr. Fajardo for the cooperation and assistance he is giving me. All persons who preceded me in this difficult position have done a great job. Dr. Fajardo has expressed his willingness and desire to cooperate because in this ministers' change, there is only a change of persons. However, the state [word indistinct] and the interest of the country also [words indistinct]. Then I want to ask for the cooperation of all of you and once more thank the president for his trust in me. [applause]

I also want to announce, with the authorization of the president of the Republic, that in the task I now assume I will have the cooperation of two persons who are well-known and appreciated in [word indistinct]. In the work I have done in the area of international trade, I learned to respect their ability and I realize that accepting the post of foreign minister, which is in fact a difficult task, I have the advantage of counting on very valuable staffers at the Foreign Relations Ministry. Two of them will accompany me as deputy ministers, but there are many more officials. The Foreign Relations Ministry has professional personnel that I am sure will also help me.

With the authorization of the president, I would also like to announce and confirm to the media that the deputy ministers who will be appointed are Dr. Bernardo Arevalo and Carlos Ramirez Martinez. [end recording]

More on New Finance Minister

PA2801213394 Guatemala City PRENSA LIBRE in Spanish 26 Jan 94 p 78

[Text] Ana Francisca del Rosario Ordonez de Molina, former executive secretary of the Presidency of the Republic, yesterday took the oath of office as new minister of finance replacing economist Richard Aitkenhead Castillo, who held the position for the last three years and who was the last minister from the Serrano administration remaining in the cabinet.

De Molina said that Guatemala is facing difficult moments so the austerity policy will continue to increase fiscal revenues by improving the efficiency of the functioning of the Ministry of Finance.

President Ramiro De Leon Carpio thanked the outgoing minister and deputy ministers for the work done and the cooperation given to the president during the seven months working for his administration.

Meanwhile, Richard Aitkenhead made a brief recapitulation of the evolution of the Guatemalan economy during the time he served as minister of finance.

Regarding economic stabilization, during the three years Aitkenhead served as finance minister, the overall government public debt with the Bank of Guatemala was reduced from over 3 billion quetzals in 1990 to approximately 2 billion quetzals until January of 1993; while the level of deposits went from 300 million to 900 million quetzals.

Regarding economic growth, Aitkenhead expressed that in the last three years the economy grew by 4 percent, which means that during this period the economy grew more than during the 1980's. Aitkenhead explained that the greater macroeconomic stability permitted an increase in investment and confidence in the economic agents, which coupled with the growth in public investment from 600 million quetzals in 1990 to about 1.5 billion quetzals in 1993 has allowed a new cycle of improvement to begin in the per capita income of Guatemalans.

Another accomplishment was that, through the Tax Modernization Program, tax revenues went from 2.360 billion quetzals in 1990 to 5 billion quetzals in 1993. The

new minister confirmed the appointments of Estuardo Mendez Herbruger and economist Arnoldo Escobedo, who resigned his post four months ago, as first and second deputy finance ministers, respectively.

Nicaragua

President Calls Attitude of Striking Workers 'Inhumane'

PA0102003694 Mexico City NOTIMEX in Spanish 2116 GMT 31 Jan 94

[Text] Managua, 31 Jan (NOTIMEX)—Nicaraguan President Violeta Chamorro said today that the National Transportation Commission's (CNT) attitude was "inhumane." The CNT has upheld a strike for the past eight days to demand that fuel prices be reduced.

A climate of tension prevails in the city, where the main avenues continue to be blocked by hundreds of buses and taxis. Police surveillance was reinforced in several conflict areas in Managua although no major incidents have taken place.

According to police reports, the striking transportation workers and those who do not support the measure clashed in a sector of the northern highway, which leads to the Managua international airport, and the windshield glass of three vehicles were destroyed.

Chamorro said today that the strike could have political undertones. She said the CNT continues the protest because its affiliates "are tough and who knows who is inciting them." "What they have to do is work," the president said, after she accused them of pressuring and threatening those who do want to work and of carrying out an "inhumane" task that leaves people without a vital service. The economic losses caused by the eight days of transportation strike amounts to many millions but has not been added up yet.

The four [number as received] other cargo and transportation organizations that signed agreements with the government last Friday, have renewed their work. However, the service has not been totally reestablished. According to the agreement between government authorities and the Nicaraguan Federation of Cargo Transportation (Fetracanic), the National Chamber of Transportation (Canat), and the National Association of Transportation (Anatra) the fuel prices will be frozen until next May. Additionally, the agreement gives taxi and commercial cargo cooperatives a subsidy for the next four months and other concessions and tax exonerations.

Strikers, Police Agree to Truce

PA0102024094 Hamburg DPA in Spanish 0128 GMT 1 Feb 94

[Text] Managua, 31 Jan (DPA)—The Nicaraguan police command and the National Transportation Commission [CNT] agreed on a truce tonight to avoid clashes and open the door for a negotiated solution to end the transportation strike, which has adversely affected the country's activities for the past week.

After Police Chief Fernando Caldera announced he would evict hundreds of members of the transportation sector, who had gathered on the Metro Centro highway, the busiest in Managua, the Sandinist National Liberation Front [FSLN] asked Tomas Borge, interior minister during the Sandinist government, to mediate to avoid a conflict. Representatives of the CNT agreed to avoid confrontation by removing the vehicles that were obstructing traffic, while the authorities promised to remain at a prudent distance.

Former Interior Minister Borge said the most important thing is to reach a negotiated solution between the government and the transportation sector. Meanwhile, the FSLN issued a communique supporting the transportation sector demands, which include a decrease in fuel prices and a law regulating the Nicaraguan transportation system.

The police released two members of the transportation sector who had been arrested, while a soldier, who had been kidnapped by the strikers, was released. The police were about to implement an operation to evict the strikers, which would have led to a bloody confrontation, according to some media.

The CNT reiterated its call to the Violeta Chamorro government to resume negotiations, because the strike is very costly for the country.

The Transportation Ministry said there are no plans to negotiate with the CNT because it has reached agreements with four transportation organizations, which represent nearly 75 percent of the sector, that are not participating in the strike.

On the streets of Managua, thousands of people have had to walk to work since the strike began or have had to pay high prices for service provided by substitute drivers. It is believed that 20 percent of the transportation sector in Managua is not heeding the strike call.

EPS Second in Command Reports on 1993, 1994 Activities

PA3101212694 Managua LA PRENSA in Spanish 28 Jan 94 pp 1, 12

[Report by Pedro Chamorro]

[Text] Yesterday afternoon, Colonel Javier Carrion MacDonough, second in command of the EPS [Sandinist People's Army] General Staff, held an extensive news conference on Army activities in 1993 and plans for 1994.

According to Carrion, as of January 1993, there were between 2,300 and 2,400 rearmed men among the various groups operating primarily in the Nueva Segovia

and Jinotega Departments. Approximately 1,700 irregular troops have been demobilized as a result of the amnesty, and as a result of the closure of the security zones or enclaves this past October. The EPS began several operations aimed at curbing those groups that decided not to take advantage of the amnesty and who chose to carry out activities like burning ranches, kidnappings, and robberies, thereby endangering the coffee harvest instead.

In recapping the irregular groups' activities in 1993, Carrion explained that 2,388 operations had been executed; of this amount, 761 had a political-military nature and 1,627 were strictly against criminal activities.

Carrion pointed out the EPS sustained 129 casualties in clashes against irregular groups, of which 49 were fatalities.

As of October 1993, the 3-80 Northern Front began to expand throughout Nueva Segovia, and "El Chacal" [Jose Angel Talavera] crossed the border into Honduras. The high-ranking military officer said "El Chacal's" presence in the region along the Honduran border caused the EPS General Staff to fear that tensions could develop with Honduras. The Army also believed he could be using Honduras to regroup his forces considering the fact there were no longer any security zones in Nicaragua.

Carrion explained that another important EPS activity included protecting produce growers by offsetting the so-called "Matches Plan" [plan fosforo], "El Chacal's" plan of blocking the 1993-94 northern region coffee harvest.

In recapping the 1993 accomplishments as relates to pacification efforts, Carrion said 1,700 armed irregulars had been disarmed and more than 8,000 rifles had been seized as part of the BED [Special Disarmament Brigade] program. Other weapons of war seized during 1993 include 150 machine guns and more than 1,000 kg of plastic explosives. This entire arsonal was destroyed. With these 8,000 rifles, the total amount of war equipment seized and destroyed since 1990 is 51,409 pieces.

Twenty-two groups were disbanded and more than 100 people were placed at the disposal of judicial authorities as part of a joint program with the National Police.

With respect to 1994 activities, Carrion indicated they will basically be similar to those carried out in 1993—in other words, to continue fighting the irregular groups and protecting farmers. According to the EPS officer, both undertakings will utilize 79 percent of the troops.

He also referred to activities like military training and upgrading, where 42,000 man-hours were invested during 1993.

Carrion talked about several other 1993 activities: supporting the "Glass of Milk" program; helping to transport turtles from Najapa's La Laguna lake when it dried up; establishing a permanent presence along the San Juan River, particularly in the southern area near the Si-A-Paz forest reserve where tourists from Costa Rica continue to fish illegally; and the prevention of animal contraband in the aforementioned reserve.

He referred to support of communities stricken by natural disasters, like the 1993 floods of Malacatoya and some Managua neighborhoods; the prevention of illegal fishing, which in 1993, despite insufficient ships, resulted in the capture of 77 pirate sea vessels operating in the Atlantic side.

These activities encompassed the fight against drug trafficking, including tackling this sensitive problem together with the civilian population and the National Police, thereby dealing some heavy blows to the mafia; projects carried out in several of the country's production areas, including locating land mines which killed five EPS soldiers, including a specialist officer.

He also talked about building housing units for the officers corps; preparing an EPS inventory to be given to the OAS as part of international agreements; formulating an officers retirement plan and a military bill proposal which will regulate the institution once it is approved by the National Assembly.

With respect to social conflicts which have affected the country, such as the current transportation system strike, Carrion indicated the EPS will only intervene if these events turn into armed conflicts like the Esteli takeover, which the National Police was unable to control. He added that permanent communication is being maintained between the EPS and the National Police.

Panama

Christian Democratic Party Announces Presidential Slate

PA0102034394 Panama City Telemetro Television Network in Spanish 0230 GMT 1 Feb 94

[Report by Octavio Cogley from the Christian Democratic Party headquarters in Panama City—live]

[Text] Good evening. We interrupt this program to announce an item of general interest. This is Octavio Cogley, live from the Christian Democratic Party [PDC] headquarters. The PDC officially announced this evening its presidential slate for the May elections. The slate is led by Engineer Eduardo Vallarino as the presidential candidate; Raul Ossa, first vice presidential candidate; and Rene Orillac, second vice presidential candidate.

We repeat, the PDC revealed this evening the slate that will represent it in the May elections. The slate is led by Eng. Eduardo Vallarino, as the presidential candidate, with Raul Ossa as the first vice presidential candidate, and Rene Orillac as the second vice presidential candidate.

The PDC also revealed a medical certificate issued by Dr. Fernando (Groce), a clinical neurologist, who states that Dr. Ricardo Arias Calderon suffers from a chronic injury to a vertebral disc and a recent fracture of the third lumbar vertebrae. For this reason, Dr. Ricardo Arias Calderon declines the presidential candidacy.

The party has decided to participate alone in the elections, but it leaves open the possibility of being joined by other parties before the 8 May elections.

It was also reported that a special congress will be held on 6 February to ratify the presidential slate chosen by the PDC to participate in the next elections.

Argentina

Foreign Minister Notes U.S. Approval of Plane, Radar Sale

PY3101231694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1820 GMT 31 Jan 94

[Text] Buenos Aires, 31 Jan (NA)—The U.S. Government today agreed to sell Argentina a total of 36 combat planes with their respective radars. The deal had been stalemated due to England's opposition. This is the first large weapons sale to our country since the Malvinas war.

Foreign Minister Guido Di Tella, who is in New York for a series of meetings with White House and UN officials, this afternoon talked with NOTICIAS ARGENTINAS on the telephone confirming the news.

Di Tella said: "The planes' sale shows the level of trust the United States has in our country." The foreign minister said the event was "important political support" for the democratic and economic process living Argentina.

For the past two years the government has been insisting on purchasing a total of 36 Skyhawk A-4M planes from the United States to replace, in part, the planes lost during the 1982 Malvinas war.

These planes, which the United States stopped using in combat because they are a generation older than the Phantoms, must be equipped with ultra-sophisticated radars in order to be effective.

The British conservative government repeatedly has opposed Argentina's rearming, even though the current rapprochement policy made their position more flexible. "The news is still too fresh. We still have not heard of any reaction from the British Foreign Office," Di Tella said. "Any way we look at it, the sale of the planes and the radars is a show of trust in our country and, therefore, I do not think there will be any problems."

Di Tella admitted that the Argentine Government "was anxiously waiting" to learn about the U.S. decision, and that England "has slowly changed its opinion about us and I am sure they will understand the situation."

"I do not want to look victorious in front of England, nothing of the kind, but I repeat that the sale of the planes and radars as well as the possible invitation to join NAFTA are indications of a lot of trust in our country," Di Tella stressed.

Referring to NAFTA, Di Tella said: "We should wait until we receive the formal invitation. Then we will stop and think about it carefully to see if it is advantageous to us." Di Tella said Argentina's possible entry into NAFTA "will not imply a 10-page treaty. The treaty will need hundreds of pages. Argentina must not separate itself from Mercosur [Common Market of the South]. Argentina must add Mercosur to NAFTA."

The minister then talked about the possibility of U.S. investments and the increase in Argentina's exports. He said: "We will not see sharp increases because the U.S. economy is slowly changing."

Di Tella then returned to the issue of the planes, saying "the political impact of the U.S. decision will undoubtedly help the investment process."

Regarding opportunities for the Argentine "Pampa" advanced training plane, Di Tella said the U.S.' purchase of the plane "does not have any political component. It is a bidding and only technical questions matter."

Defense Minister Oscar Camilion revealed two weeks ago that the "Pampa" plane "has been classified for the finals" among the foreign bids. On that occasion Camilion did not reveal what other country is also in the finals to sell the training plane.

On 25 January, Di Tella travelled to the United States, where he met Secretary of State Warren Christopher, U.S. Trade Representative Michael Kantor, and security representatives.

Bolivia

President Speaks to Nation on Reforms, Economy

PY3101185294 La Paz Television Nacional Network in Spanish 0100 GMT 31 Jan 94

[Address to the nation by President Gonzalo Sanchez de Lozada; place not given—live or recorded]

[Excerpts] My dear fellow Bolivian citizens: The reason that moved me to talk to you this evening is that I have good news to give you—tomorrow we will submit to Congress a bill on the government's project to turn state-owned enterprises into mixed corporations under government control. This bill will enable us to keep our promise to create 500,000 new jobs for Bolivians during our administration. I am sure you are well aware that a privatization drive is under way all over the world. Even Russia and East European countries are privatizing their public companies. But Bolivia has chosen another path. Rather than selling its assets, Bolivia has decided to invite foreign and domestic capital to invest in our state-owned enterprises an amount of money that is comparable to the value of the companies' equity. In other words, instead of having one YPFB [Bolivian Government Oil Deposits], we will have two YPFBs. We will incorporate new and needed management techniques and technology. Principally, the capital inflow will create investments which will in turn generate new openings and create new jobs. We are well aware that the biggest problem in Bolivia is the shortage of openings. This is why we give so much importance to this bill and consider it of paramount importance for the future of our country. The remaining part of these enterprises, which will be owned by the government, will be apportioned among Bolivians. We will establish between five

and 10 pension funds so that each Bolivian may have his own savings and be covered for his old age. We estimate that this will happen in 1995. [passage omitted]

We cannot disregard the importance of this bill. You may wonder why we took so long to draft this bill that only comprises four chapters and 11 articles. Well, we took our time because we had to discuss it with foreign and domestic investors, and with the Bolivian people—we have conducted public opinion polls and established task forces to make an in-depth study of the project. We consulted everyone because it would be totally worthless to draft a bill that is rejected by everybody and that yields no results. I ask you to bear this in mind. [passage omitted]

Foreign and domestic private investors in our state-owned enterprises will have their profits, their returns, but the Bolivian people will also stand to gain because all those over 18 will have access to the aforementioned pension funds that will provide them with a sure pension for their old age.

It is my considered opinion that this bill will be instrumental in creating new jobs and establishing the first social security system in South America to provide coverage for all Bolivians, without exception. I think the new investments will constitute a driving force to spur domestic growth and benefit all Bolivians. I think we can double our growth rate to a pace similar to that of Chile, rather than at our current pace which only serves to cover our basic necessities while leaving unemployment unsolved.

We have an agenda. By Carnival Sunday [16 January]—within two weeks—we will have submitted to Congress an educational reform bill. Thank God, we have been able to reach a consensus on a basic project. We will draft a bill on this project. This law will not be controversial because we have discussed it with all sectors—the church, teachers, parents—and we deem it very important because—while Bolivia urgently needs new jobs—one cannot overlook the need for a better education system. We can no longer endure the present education standards—they are a complete disaster and a disgrace. We want to change our education system by consensus, we want all Bolivians to become involved in it so that nobody feels obliged to accept something against his will. But we must effect this change.

Moreover, we are also studying the popular participation project. We are not sure if this will be a law or a supreme decree—we will seek the people's advice on this issue even if we are accused of dragging our feet. We take our time because a sense of responsibility guides all our actions. Our administration is not arrogant and despotic; we seek other people's opinions, we discuss things so as to avoid instituting policies that wreak disaster on the country like in the past.

Finally, we are working on the national budget, which will have a deficit of only 3 percent, as agreed during our negotiations with the IMF. We estimate that inflation in 1994 will be 7.5 percent and that the country will grow by 4 percent. We intend to invest at least $450 million in the public sector. We are putting together a budget that is based on austerity. We will implement cutbacks in government spending instead of increasing taxes. There will be no tax increases. We will modify the tax system so that it is more productive and less damaging, but we will not increase taxes.

One thing that I do want to make clear is that it never crossed our minds—and it never will—to freeze savings or bank accounts. I do not know where this rumor originated, but it is an evil rumor that is very damaging to our country. [passage omitted]

I want to state very clearly that as long as I am the president of the Republic, savings, whether in dollars or bolivianos, will not be touched. [passage omitted]

Brazil

Cuba To Repay Debt With Medicine; Vice President To Visit

PY2801134194 Madrid EFE in Spanish 2130 GMT 27 Jan 94

[Text] Brasilia, 27 Jan (EFE)—Official sources said in Brasilia today that the Cuban Government will repay part of a $10 million debt to Brazil with medicines produced on the island.

Brazilian Health Minister Henrique Santillo and Cuban Health Vice Minister Jose Ignacio Goicoechea on 26 January signed a contract for the supply of 40 different types of medicines during the next four months.

The operation is worth $30 million and will include diverse medicines—antibiotics, pain relievers, collyriums, anesthetics, and blood pressure regulators—that will be supplied to the public system for three months.

A clause in the contract says the Brazilian Government is authorized to retain a sum of money—the amount has not been specified yet—to serve as compensation for part of the total Cuban debt.

The sources said the amount to be withheld will depend on a Brazilian Planning Ministry evaluation of the rules on foreign credit. Brazil [as received] committed itself to pay the rest of the money in two installments.

According to official sources, Cuba owes Brazil about $10 million, although in August 1993 it reached $6.5 million.

Cuban Vice President Carlos Lage Davila, who is responsible for his country's economic policies, will make an official visit to Brazil between 2 and 7 February. During his visit, Lage will meet President Itamar Franco.

The Cuban vice president will meet government officials and representatives of the Brazilian private sector to promote the strengthening of economic and commercial relations between the two countries.

Election-Year Maneuvering Behind Economic Plan 'Defeat'

PY2901022694 Rio de Janeiro O GLOBO in Portuguese 28 Jan 94 p 19

[Article by Sergio Leo]

[Text] Brasilia—The presidential election campaign and speculations about the possible presidential candidacy of Finance Minister Fernando Henrique Cardoso had great influence on the defeat suffered yesterday by the government in the voting on the provisional measures of the stabilization plan. That was the opinion in Congress yesterday, which is also shared by Senator Pedro Simon, government leader in the Senate, and by Senator Mario Covas, PSDB [Brazilian Social Democracy Party] leader in the Senate. The blocs faithful to presidential hopefuls Paulo Maluf from the PPR [Progressive Renewal Party], and to Jose Sarney and Orestes Quercia from the PMDB [Brazilian Democratic Movement Party], were notoriously absent from the voting session.

"They were all talking about that in the Senate plenum: the presidential hopefuls estimate that if the stability plan is successful, no one will be able to compete with Fernando Henrique Cardoso," Pedro Simon told O GLOBO.

"There is no need to launch a formal candidacy. No event this year can avoid being influenced by the election campaign. And it has been this way from the start," Senator Mario Covas said. Covas, who supports the candidacy of Fernando Henrique Cardoso, asserted that if he had been beside Cardoso on the rostrum when he denied being a candidate, "I would have kicked him in the ankle."

Yesterday afternoon, when it was evident that the government would not obtain a quorum for approving its measures without the help of the PPR—which declared it would obstruct the voting session, and abandoned the hall—Covas sought out Deputy Armando Pinheiro (PPR-Sao Paulo), a Maluf supporter, to try to obtain his support. The officialist congressmen believe that the intransigent attitude of the PPR bloc simply reflects the campaign strategy of presidential hopeful Paulo Maluf.

The thesis that former President Jose Sarney also helped block the approval of the stabilization plan was based on the nearly total absence of Maranhao deputies from the Chamber—as confirmed by the appearance of Deputy Sarney Jr. (PFL-MA) [Liberal Front Party—Maranhao] who crossed the chamber smiling, without voting or abiding the role call.

"The launching of the Fernando Henrique's candidacy and the lack of political coordination has led us to this result," said Deputy Gonzaga Mota (PMDB-CE) [PMDB-Ceara], rapporteur for the stability program in the lower house.

Latest Survey Shows Lula Leading Presidential Race

PY3101220194 Rio de Janeiro O GLOBO in Portuguese 31 Jan 94 p 3

[Text] The figures of the latest survey commissioned by the PSDB [Brazilian Social Democracy Party] by IBOPE [Brazilian Public Opinion and Statistics Institute] show that Lula [Inacio da Silva] dropped two points, [Antonio] Britto passed [Paulo] Maluf, [Leonel] Brizola's rating did not change, [Mario] Covas and Fernando Henrique Cardoso are in fourth place, and [Orestes] Quercia is in fifth place.

Lula.....28 percent

Britto.....14 percent

Maluf.....13 percent

Brizola.....10 percent

Covas.....8 percent

Cardoso.....8 percent

Quercia.....5 percent

Colombia

* Social Security Bill Sponsor Discusses Reforms

94SM0186A Santa Fe de Bogota EL ESPECTADOR in Spanish 3 Jan 94 p 5B

[Interview with Senator Alvaro Uribe Velez by Gilda Sarmiento; place and date not given—first two paragraphs are EL ESPECTADOR introduction]

[Text] Santa Fe de Bogota—Regarded as the key man in the reform of social security in Congress, Alvaro Uribe Velez was chosen senator of the year in 1993, supplanting such old political operators as Victor Renan Barco.

Uribe Velez spoke with our economics section about these past 18 months in politics, during which time he has had to put up with lobbying, criticism, threats, and even impertinent questions from a reporter in Armenia, who asked him what pension fund he owned.

[Sarmiento] What is the most important thing about the social security reform?

[Uribe] It contains mechanisms for expanding coverage to improve health care; over the long run these mechanisms will mean steady growth for social security service in terms of broader coverage and a major improvement in quality. It also contains a capitalization mechanism that will boost national savings appreciably, and this should have very favorable macroeconomic ramifications in the medium term.

[Sarmiento] The feeling in the country is that the law boosted contributions but reduced pensions, which is not at all good for Colombian workers....

[Uribe] Setting up state-run institutions was in vogue in Colombia in the 1960's, as it was all over the world. The creators of these institutions did not realize how inefficient an all-powerful State would become. In recent years we have seen a totally opposite vogue: the neoliberal vogue of dismantling the entire State. The reform's major virtue is that it balances State participation very well with the participation of private citizens and social entities. The State is involved as a regulator, as a monitor, and also as a provider of social services; private citizens and social entities deliver services. We are devising a major synthesis here. We are placing the system at a happy medium between the two extremes of total nationalization, as in the 1960's, and the complete transfer of these public services to market forces, as some champions of neoliberalism advocate. We are placing ourselves at a social center of great importance.

Unlike countries such as Chile and Peru, among others, in Colombia contributions are not going to be paid exclusively by the workers; on the contrary, employers are going to pay the larger share. And why are contributions being increased? As far as pensions are concerned, we are moving up to 1996 the increase to 13.5 percent that we would have to have in place by around 2010. The very likely consequence is that if we have a 13.5 percent rate as of 1996, we will not have to order further increases to pay pensions during the next generation. The advantage of an increase now is not only that it will avoid future increases but also that it will enable us to gradually resolve the government's problem of its huge debt to future retirees. The average length of service of workers is 12 years, and moreover there are no reserves. As the State begins to collect these higher contributions, like any private sector employer, they will guarantee enough reserves to meet these obligations.

We are not boosting contributions for health care. We are simply leveling them out at the top to extend coverage to the worker's family.

The eligibility age is being raised very little. Whereas other countries have put it at 65, which was the administration's initial proposal, Congress raised it to just 62 for men and 57 for women, and only as of 2014. In other words, the age has been raised conservatively and far into the future.

[Sarmiento] Why do you regard this reform as the most important of the past half century?

[Uribe] Because this country delivers social security services to a very small percentage of the population, barely 21 percent, whereas coverage in the industrialized countries is close to 100 percent and the average is between 40 and 50 percent in Latin America. Colombia, at 21 percent, is barely at Haiti's level. This reform provides all of the mechanisms for us to start expanding coverage.

[Sarmiento] Isn't it utopian to think that by the year 2000 all Colombians will have health care?

[Uribe] The goal is a very ambitious one, and in this connection I am less optimistic than the health minister, but we have to make an effort to come as close to it as we can. The first step is to fulfill the legal obligation that in a year's time the ISS [Social Security Institute] has to offer family coverage to all its affiliates. This will be an essential element for credibility in enforcing the new law. Second, the public funding for health care in coming years is going to rise from 2 to 4 percent of the GDP. Third, one quarter of the revenues of the departments and municipalities must go to health care. And fourth, some of the revenues of the territorial entities that will come from Cusiana and Cupiagua will expand the health-care budgets as of 1997.

[Sarmiento] The comment that laws do not bring votes but that social security could cost votes is making the rounds in Congress. Aren't you afraid that it may jeopardize your aspiration to be governor of Antioquia?

[Uribe] The governorship is an aspiration, but now is not the time to bring it up. Let's see what happens in 1994. I think that Colombia, like so many other Latin American countries, has been banishing populism. I think that populist harangues bring applause but do not speak to Colombians' deep-seated rationality. I believe much more strongly in the good sense of people, who prefer serious reforms to simple populist harangues. Reforming is very hard and initially causes headaches, but in the end it is one of the few things that make politics gratifying.

[Sarmiento] Do you consider this a perfect reform?

[Uribe] This law will no doubt have to be reformed in the future. It is not perfect, but it establishes very important institutions that are destined to last for a very long time in Colombia. We cannot aspire to perfection because social security is very complicated. There is a social security crisis the world over; all countries are seeking a model. We have developed a very Colombian model, based on our own experience and our own idiosyncrasies, but unlike in Chile, Peru, and Bolivia, this reform was not adopted either by a dictatorial government, or a strong Executive without Congress, or an Executive without a deliberative public. We have adopted it here with a pluralistic Congress, four months before elections, with a vigilant public, and in a democracy with an opposition.

[Sarmiento] What worries you about the law?

[Uribe] I am worried that in the area of health care the 12 percent rate may not be enough. But to the extent that the system works well, in a year or two political and social conditions conducive to an increase will have been created. I am also worried that the hike will be hard on small and mid-sized business, but this problem will be

felt just in the first few years. They will then begin to reap the benefits of better health services and a substantial growth in savings.

[Sarmiento] The administration says that in adopting the reform it was thinking more about our poorest citizens. How will it affect these segments of society?

[Uribe] The reform provides a very important instrument for the members of the informal economy and poor peasants: the possibility that the family allowance funds and the cooperative sector can organize themselves as health promotion enterprises. As family-allowance funding is rechanneled to bring health care to these groups in our large cities and on small peasant farms, we are going to make headway in extending services to people who have long been ignored.

[Sarmiento] How would you convince the country that the law is not a bad one, when some think that the next administration's first task will be to reform it?

[Uribe] I believe strongly in the practical effects of the reform. We have altered 50-year old social security legislation that had brought us to very low levels of coverage. It is only fair to call for a reasonable period of lead time before evaluating the practical results.

[Sarmiento] The academic sector feels that in seven years or so the pension contributions will have to be increased again because the reform was an equation that Congress broke because hiking the contributions was not enough.

[Uribe] Congress was conservative in tightening the requirements, to the extent that a pluralistic Congress could do so. Many people there said that raising contributions meant that requirements did not have to be tightened or certain benefits cut. The projections of the actuaries tell us that this equation improves into the future and that the ISS and the system in general may make it to the year 2020 with a large cushion of reserves.

[Sarmiento] In the final accounting, who does this law cover?

[Uribe] The main dividing line in the reform is, by and large, age, with exceptions. A minimal part will apply to males over 40 and females over 35. Everyone will have to make larger contributions, however.

[Sarmiento] In one sentence how would you describe the social security reform?

[Uribe] As a reform with major challenges.

[Sarmiento] We are about to have a change in administration. Is there any guarantee that the next one will implement the reform?

[Uribe] I do not think that President Gaviria's reformist spirit, which was a fundamental factor in this reform, is going to go for naught. I am certain that whoever the next president of Colombia is, he will take up the task of implementing it. It will be excellent for the next administration to find the legislative part clearly defined and all set to be implemented.

[Sarmiento] Doesn't this law privatize pensions and health care?

[Uribe] The major virtue of this law is that it follows neither the nationalization wave of the 1960's nor the privatizing wave of neoliberalism. It aims for a sensible happy medium. It tells the State: you monitor and regulate. And it tells private individuals and the social sector: you cooperate with the government in delivering these services and in steadily expanding social security.

[Sarmiento] Since this law is not perfect, what are its shortcomings?

[Uribe] So far I would point out two minor problems. In the early years contributions are going to be very heavy for small and midsized businesses. And the health-care contribution is inadequate for now.

[Sarmiento] Was there a great deal of pressure to get this reform out?

[Uribe] Not pressure, but everybody had ideas about the reform. Political parties, employer and labor unions. All economic, social, and political sectors voiced opinions. And I would say that the purpose of the reform was not to apportion discontent equitably, as Saint Thomas put it, but rather to develop common ground that is good for the country.

[Sarmiento] Have there been threats against your life?

[Uribe] I have not been threatened. Politics entails risks, and you have to face up to them with patriotism. When you enter politics, you have to choose between trying to preserve the entire established order, the political modus vivendi, and helping to transform it. I believe that as long as I am in politics, I have to help transform it and work patriotically, with thoroughgoing devotion for Colombia and to be very prudent during the difficult times in political life.

Ecuador

Students, Riot Police Clash During 4th Day of Protests

PA3101181894 Madrid EFE in Spanish 1639 GMT 31 Jan 94

[Text] Quito, 31 Jan (EFE)—Several student groups and riot police clashed today, 31 January, in several areas of Quito during the fourth day of protests over the increase of up to 71.2 percent in the price of gasoline.

President Sixto Duran-Ballen announced the price increase on 28 January, but the disturbances had begun a day earlier when the media reported the measure.

At least four policemen and an unspecified number of young people were wounded in skirmishes from 27 to 29 January, and more than 20 students were arrested. Leaders of trade unions and other groups announced today they will promote a nationwide strike and demonstrations on specified days this week to protest the increase in the price of gasoline.

"The government must understand the people cannot bear any more adjustments," Edgar Ponce, president of the United Workers Front (FUT), the country's largest union, said.

Ponce predicted the government's economic policy will cause "social outbursts" as the ones that took place recently in Chiapas (Mexico) and Santiago de Estero (Argentina). The price of many staple products began to rise in public markets as a result of the gasoline increase, local television stations reported.

The government ordered a 71.2-percent increase in the price of the most widely used gasoline and stated it was forced to do so to ease the drop in the international price of oil, which is the source of half of its revenues.

Cesar Robalino, finance and public credit minister, announced one gallon (3.8 liters) of "extra" gasoline—which, despite its name, is the most common and most widely used—would rise on 29 January from 1.46 sucres to 2.50 sucres (from $0.70 to $1.20).

A gallon of higher quality "super" gasoline rose 25 percent, from 2.40 sucres to 3.00 sucres (from $1.14 to $1.43), and a gallon of "eco" gasoline, which has fewer pollutants, rose by 47 percent, from 1.90 sucres to 2.80 sucres (from $0.90 to $1.33).

Robalino also announced "drastic" cuts in government spending, the suspension of investment programs, dismissal of tens of public employees, and a 15-percent ceiling on state employee pay increases in 1994.

Update on Student Protests; Unions Announce Strikes

PA0102045294 Quito Voz de los Andes in Spanish 2300 GMT 31 Jan 94

[From "The Voz Andes" newscast]

[Text] A report indicates that various student groups have engaged in confrontations with riot police in several neighborhoods in Quito during the fourth day of demonstrations to protest a 71.2-percent price increase in fuel prices. The government announced the increase on 28 January. However, disturbances began on the eve of the announcement when the media leaked the news. Between 27 and 28 January at least four policemen and an undetermined number of students were injured during riots, while over 20 students were arrested.

Union leaders and other important Ecuadoran leaders announced that they will promote a national strike and demonstrations this week to protest the increase in fuel prices. They have not specified dates yet. Edgar Ponce, the president of FUT [United Workers' Front]—the largest workers' organization in Ecuador—said that the government must understand that the people cannot take any more price increases. Ponce anticipated that the government's economic policy will trigger social explosions in Ecuador, such as the recent conflicts in Chiapas, Mexico, and Santiago del Estero, Argentina.

In the public markets the prices of many basic necessities have begun to increase as a result of the increase in fuel prices. The government ordered a 71.2-percent price increase for the fuel with the highest demand and argued that this measure was necessary in order to counter the fall of international oil prices. Oil is the source of half of the government's revenues. An increase in the prices of basic necessities was confirmed in the markets yesterday. The price of milk, for instance, increased by 150 sucres compared to a week ago. In addition, food stores and supermarkets altered their prices eight days ago, without any response from Quito's Police Intendancy.

Meanwhile, union leaders said that Ecuadoran workers unions were calling for a 24-hour general strike on 3 February to protest the economic adjustment measures implemented by the government. Edgar Ponce announced that FUT urged all organizations to participate in a preventive strike to request that the government reconsider its decision to increase fuel prices. On 28 January the government announced a 70.2-percent increase in fuel prices to counter, according to the government, a fiscal deficit estimated between $200 and $500 million. Ponce added that the strike is considered as a preventive measure, but it could become a progressive one if the government does not withdraw its decision.

In addition, Gustavo Teran, a teachers union member, said that the National Union of Teachers, the Ecuadoran Student's Front, the Federation of Ecuadoran University Students, and Indian organizations will participate in a 24-hour strike on 2 February. Teran stated that the country's mass organizations reject the government's economic measures and will ask for Finance Minister Cesar Robalino to resign and for Congress to issue a statement repealing the measures.

This morning, (Teresa Minuchet), a government deputy, asked Finance Minister Robalino to resign. Ponce pointed out that the workers' strike is being called because Ecuadorans have lost all hope that they can have a halfway decent standard of living. Ponce said that they are calling on all organizations to join the struggle by the country's stategic sectors—Ecuadoran State Petroleum Enterprise, public employees, the Confederation of Indian Nationalities of Ecuador, the Agricultural Coordinating Board, teachers, farmers, drivers, homemakers, students, and the people in general. Ponce added that all Ecuadoreans are angry, and this has become increasingly obvious in the past days. He mentioned that a precedent was set in 1982 when the government yielded to protests and did not increase fuel prices.

Today, hundreds of students continued protesting against the measures, and received support from the population, especially in southern Quito. Since this morning, students engaged in heavy confrontations with police in both Quito and Guayaquil, where they blocked several roads and caused traffic jams. Students in Guayaquil seized a bus, despite the fact that the drivers unions said they have not increased fares yet. A student leader said that the students will not allow any increase in transportation fares. Police responded to rocks being hurled by students with tear gas.

Student leaders said that during the demonstrations on 28 January, 15 students were arrested while the students kidnapped a policeman. A student leader suggested an exchange of prisoners. Police spokespersons said that demonstrations spread in neighborhoods in southern, central, and northern Quito, most of them in high schools. The police have not reported any student arrests during today's demonstrations. Demonstrations have decreased somewhat due to a heavy rain in Quito and a drop in temperature, although some are still occurring in southern Quito.

Paraguay

President Proposes Free Trade Zone With Bolivia, Ecuador

PY2901192994 Asuncion NOTICIAS in Spanish 29 Jan 94 p 16

[Article by "special correspondents" Celso Chavez and Justo Pastor Benitez]

[Text] Quito, Ecuador—Paraguayan President Juan Carlos Wasmosy has proposed the establishment of a free trade zone between Bolivia, Ecuador, and Paraguay that might become a doorway to Mercosur [Common Market of the South] and the Andean Pact. The establishment of the free trade zone, which Wasmosy was to discuss with Ecuadoran President Sixto Duran, seeks to strengthen trade among countries in the region because less developed countries cannot be subjected to the needs of more developed countries, particularly if they do not fulfill international treaties.

President Juan Carlos Wasmosy on 28 January proposed here the establishment of a free trade zone between Bolivia, Ecuador, and Paraguay to promote integration. He said the two Andean countries might become doorways to Mercosur and the Andean Pact.

Wasmosy said he would discuss the issue with President Sixto Duran Ballen to develop a project that might benefit countries with coasts on the Pacific and Atlantic Oceans.

Wasmosy asserted that both Bolivia and Ecuador may participate as observers in Mercosur with the objective of promoting integration among countries in the region.

Responding to an Ecuadoran journalist on whether the recent Mercosur summit in Uruguay had been tense because the four member countries have different macroeconomic situations and custom duties, Wasmosy said the negotiations were not tense but realistic.

He said: "We cannot be romantic while trying to achieve a common market because in the time left before the establishment of the Treaty of Asuncion, the presidents—who have been entrusted with the confidence of the people—must be realistic in assessing the issues and implementing the measures necessary to resurrect the process. If the treaty's principles cannot be fulfilled, less developed countries such as ours cannot be subjected to the needs of other bigger countries."

As an example, Wasmosy said Paraguay implemented an 82 percent cut in the custom duties on 10,000 items, but Paraguay is trying to exclude 3,000 items from this list. In this regard he said Paraguay has requested more time to do this so as not to increase the cost of the industrial reorganization process or raw materials, but this is not the case in Argentina or Brazil.

He added that any integration treaty seeks to achieve more development, more food for all, and because of this it must benefit all partners, not just one of them.

Uruguay

President Lacalle Reviews Mercosur, Domestic Issues

PY2901003894 Montevideo EL PAIS in Spanish 22 Jan 94 p 8

[Article by correspondent Pedro S. Boggiani]

[Text] Fray Bentos—President Luis Alberto Lacalle said yesterday that he has maintained the predominance of civil society over any other power, and that in making unpleasant decisions he had sought "the common good."

During a break in his tour of the riverside region, the president agreed to answer some questions from reporters during an informal news conference at a century-old school.

Asked about his opinion on the fact that he is the president who ordered the largest number of arrests after the military regime, Lacalle replied that "it is not a matter of counting episodes which, if considered in an isolated manner, have no significance in themselves."

"We proudly assumed the post of commander of the armed forces, and because of family tradition and because of my own ideas, I feel deep respect for the military profession," he said.

"I visited all the military units of the country, I entered them through the front door, I have had a frank relationship with the commanders, and I have always observed hierarchy," he noted.

He added that his decisions in the military area were motivated by a high republican objective. "When I had to make decisions—which at times were unpleasant—I made them taking into account the common good, which is what I have to safeguard, and the predominance of civil power, which was elected and made legitimate by the votes," he said.

He also addressed the Common Market of the South, Mercosur, in which he admitted the existence of difficulties, although he did not rule out the possibility of finding solutions.

"There are difficulties, yes. Just think, if Germany and France still have difficulties in achieving unity after almost 40 years of integration negotiations, imagine how difficult it will be for us to pin the tail on the donkey," he said.

He admitted that there are difficulties between "the Argentine and the Brazilian economies, or because of the difference in size and magnitude between Uruguay and Brazil, or Argentina."

"Yet in June we will have something certain. This is, in my opinion, the most valuable result of the Mercosur summit in Colonia," he said.

The president ruled out the possibility of problems with Brazilian President Itamar Franco, who last Monday left before a lunch that Lacalle hosted for his Mercosur colleagues.

"First, President Franco is a man of a certain age. He was with us in Anchorena, and needs regular resting periods. He does this at all meetings, so do not try to make anything else out of it, do not try to see nonexistent things, because there aren't any," he added.

Asked about the electoral campaign, the president said he would prefer a short campaign.

"We want no contradictions between the electoral year and the work year. I believe both things can and should be done," he said.

He added that it is necessary to have "more time to do things, and time is necessary to advertise the proposals, the names, and to explain why people are being asked for their votes."

Asked about the contents of his message to the General Assembly on 15 March, the president said he is satisfied "with being able to show very good achievements which—obviously—we hope will be surpassed in the future."

He said the government has received much criticism, but noted that he is not in a sports game—"to see whether we win three to two, or five to one"—and that he has always tried to choose the positive side.

"I believe the current government, despite its limitations because of its lack of a majority, as everyone knows, will present a very good account of its term," he noted.

Asked about the constitutional reform project, he said it will surely be approved, and despite the fact that it is not the ideal project it is major news.

"The news I have that the Broad Front will in principle support the initiative leads us to the conclusion that there will be a comfortable two-thirds majority at the General Assembly, which also leads us to conclude that the plebiscite will also 'obviously,' as people usually put it, approve it," he emphasized.

He said that the proposed reform "is not the reform we would have liked. Some issues were sidelined, but the single candidacy of parties is one of the most important issues."

"This will strongly promote party unity," the president said.

Lacalle also emphasized the significance of the bills that the Executive Branch submitted to Congress at the conclusion of the interpellation of the ministers of industry and finance this week.

The atmosphere leading to the interpellation showed that several sectors were demanding the adoption of new measures. Well, now the initiative is in the hands of Congress, not the Executive Branch. We are sure there will be a rapid answer," he predicted.

Foreign Minister Views Policy

PY3101151094 Montevideo EL PAIS in Spanish 23 Jan 94 pp 18, 19

["Exclusive" interview with Uruguayan Foreign Minister Sergio Abreu by unidentified reporter; place and date not given]

[Text] [EL PAIS] What are the premises and the principles upon which the Foreign Ministry based its action in 1993?

[Abreu] The current administration has chosen continuity and the development of a foreign policy of state as its general guiding principles. Thus the foreign policy, which is conducted by the president and the foreign minister, is inspired by the need to put its objectives at the service of permanent national interest and of medium- and long-term guidelines, which are beyond domestic political circumstances.

In line with this continuity, and seeking consistency in our foreign policy, our traditional observance of the principles of international law has been maintained.

The principles of nonintervention in the domestic affairs of nations, self-determination, and the peaceful settlement of controversies, which our country has upheld throughout its history as a sovereign, independent nation, have been endorsed during the current administration. Transformations on the international political

stage and the dynamic changes we are witnessing today have emphasized the role of the law in international relations.

[EL PAIS] What is the Uruguayan foreign policy strategy?

[Abreu] Foreign policy decisions are not made on the basis of isolated stages or circumstances. Instead, they reflect the strategy with which the Foreign Ministry rates the country's foreign policy objectives.

Our foreign policy has been conducted on the basis of the strategy of "concentric circles," with priority areas designed on the basis of the country's geopolitical location: First, bilateral relations with neighbors, followed by the subregion, the region, the continent, the Iberoamerican world, and the rest of the world. The Foreign Ministry made major efforts during 1993 toward attaining the above objectives in each of those circles.

First, the strategy sought to promote the competitive advantage of the country in a regional and subregional context, in which Uruguay's main partners are its neighbors, Argentina and Brazil.

[EL PAIS] What have been the main accomplishments within this framework?

[Abreu] Among our achievements we can mention the promotion of bilateral relations with Argentina and Brazil. This includes major achievements in physical and economic integration, excellent political relations, and bilateral consideration of the more sensible topics of the relations with our neighbors, like areas along the country's borders.

This first priority circle of the state foreign policy is supplemented by our active presence at a regional and subregional level. We have sought to promote the role of a supplier of goods and services at a regional level, which our country might play because of its privileged geopolitical location as the natural exit port of Latin America's richest and most densely populated basin. Among the specific actions that have been undertaken we mention:

- Improvement of the navigability of Uruguay River, which was jointly arranged with the Argentine Government. This action is particularly important for the development of our ports and for the waterway project because it allows better ship access from Nueva Palmira to Salto, thus promoting the revitalization of the ports on the lower Uruguay River.
- Actions, also with the Argentine Government, to dredge, place buoys, and maintain the River Plate channels, for which an agreement has been reached.
- the impulse toward concluding an agreement for the Colonia-Buenos Aires bridge project, which for Uruguay will be the first stretch of the Highway Axis. This emphasizes the position of our country as a key area for land transportation between the region's large urban and industrial centers.
- The steps taken for granting institutional status to the negotiations for constructing the Highway Axis joining Sao Paulo, Porto Alegre, Uruguay, and Argentina, a project that is specially significant for Uruguay and that will promote integration of the economies of the three countries.
- The development of the Cuareim River basin, including the enforcement of the Statute of the Uruguayan-Brazilian Mixed Commission for that basin.
- The promotion of development in areas along the Brazilian border, through the activities of the binational commission and through the strengthening of the importance of the existing border committees. Such activities fall within the framework of the border policy, which is a priority among our major foreign police objectives, aiming at consolidating national culture and national identity in border areas in conjunction with economic development, which is being jointly promoted with neighboring countries.
- The actions aimed at enforcing the multilateral agreement on the Paraguay-Parana Waterway (Puerto Caceres-Nueva Palmira) and, considering the importance of the project's work schedule, the promotion of joint actions by the five countries to agree on the implementation of the Technical Cooperation Agreement signed with the IDB [Inter-American Development Bank], which seeks to determine the feasibility of this river way.

- In turn, political relations with our main neighbors have been strengthened through reciprocal visits of top government officials. Among them we should note the visit by Brazilian President Itamar Franco in May 1993, the first visit by a Brazilian president since 1985. In addition, the Uruguayan foreign minister visited Brazil in November 1993.
- We emphasize the diplomatic efforts that Uruguay has made to revitalize the role of Urupabol [Permanent Joint Commission of Uruguay, Paraguay, and Bolivia], as an instrument to promote renewed cooperation and coordination among its members.
- The relations between Bolivia and the subregion have been a priority for the Foreign Ministry, which has proposed an analysis of the way we can develop closer ties with Mercosur [Common Market of the South].

[EL PAIS] What about actions at a regional level?

[Abreu] Another foreign policy objective has been to guarantee the Uruguayan presence in the Latin American region as a whole, though bilateral and multilateral ties.

The approval of NAFTA by the U.S. Congress, which marked the creation of an economic bloc of great significance for the rest of the continent, has made it essential for us to promote our relations with Mexico. The promotion of our relations with that country, in all areas, has been one of our foreign policy objectives. To this end an important presidential visit was paid to that country in March 1993, during which agreements on several areas were signed, including the commercial area.

Meanwhile, relations with Chile were also considered a priority objective, particularly in the economic-commercial area.

From a multilateral viewpoint, the Latin American integration process implemented through LAIA [Latin American Integration Association] has been firmly supported. Proof of this is Uruguay's active engagement in the resolution of the issue involving Mexico's participation in NAFTA and the enforcement of Article 44 of the LAIA Agreement, that is, the Most Favored Nation Clause. This situation had produced a major disagreement between member countries. Our country promoted agreement formulas that led to the settlement of the discrepancies, thus preserving the organization from a conflict that could have seriously affected it.

In the political area, Uruguay has promoted the consolidation of the Rio Group as a permanent mechanism facilitating consultation and agreement between Latin American countries on issues that affect the common interest of the region. The Rio Group, whose members advocate the principles of democracy, pluralism, and respect for human rights, is an auspicious fact for Latin America. It is totally coincident with our foreign policy principles, which Uruguay has always sought to strengthen.

Uruguay has also maintained a major presence within the framework of the OAS, reaffirming the importance of this forum for the preservation of democracy in the continent, and endorsing—as in the case of Haiti's institutional crisis—measures to restore institutional democracy in that country.

[EL PAIS] With what countries have we made bilateral progress?

[Abreu] This government attached importance to the promotion of relations—especially in the economic field—with countries or group of countries with major weight in international commerce. Three very important presidential visits were made in 1993: to Belgium and to the European Community in April; to Great Britain in June; and to the PRC in December. In each case the objectives were fully achieved because the visits made it possible for us to inform the relevant sectors of those countries about existing commercial opportunities, possibilities for investment, and mutual benefits to be derived from strengthening exchange in various fields.

Central Bank Reports Deficit

PY2701150694

[Editorial Report] Montevideo LA MANANA in Spanish on 13 January on page 44 states, in an unattributed 250-word report, that the Uruguayan Central Bank reported that the central government had a deficit of 21.1 million pesos in November 1993, and the accumulated deficit from January to November 1993 was 203.4 million pesos. Government income in that period was 9.078 billion pesos, 2.9-percent less than the same period in 1992. Government spending in that period was 9.282 billion pesos, 6.2-percent more than the same period in 1992.

* Lacalle on Mercosur, Military, Constitutional Reform

94SM0194A Buenos Aires LA NACION in Spanish 27 Dec 93 p 2

[Interview with President Luis Alberto Lacalle by Barret Puig at the presidential residence in Montevideo, 23 December: "President Lacalle Supports Only Economic Policy That Benefits Social Progress"; first three paragraphs are LA NACION editorial introduction]

[Text] On the occasion of the end of 1993, during an interview with LA NACION, President Lacalle presented an overall view of relations with Argentina and the challenge created by Mercosur [South American Common Market], among other matters of major interest to Uruguay.

President Luis Alberto Lacalle received a LA NACION representative at El Prado, his official residence on Avenida Suarez and spoke about relations with Argentina, Mercosur, Latin America in general, and the election year in Uruguay, from the perspective of the end of 1993.

Following are the most important matters raised in the interview.

[Puig] What are the principal problems with Argentina at this time?

[Lacalle] I think that, rather than problems, we might refer to them as questions. I would say that the central question, which is being resolved but which still presents some difficulties, is ensuring that work on the Martin Garcia Canal (an Uruguayan project) is compatible with work on the Emilio Mitre Canal (in Argentina). As you know, these are complementary projects in Uruguay's view. However, in the view of some Argentine groups they are almost conflicting projects.

President Menem has personally recognized this fact, and I must say a few words in recognition of the sympathy and affection with which he has always considered Uruguayan views. However, there have been some difficulties in handling these matters.

Sometimes we have a commercial question to deal with. However, I would say that this sort of thing has been overshadowed by the matters which we have in common: the bridge from Buenos Aires to Colonia, in particular, and the super highway. These are the two major public works which we have at hand. A contract for the construction of the bridge project will certainly be awarded in the course of 1994. The super highway is its natural consequence, because it is going to connect Buenos Aires with San Pablo by way of the bridge.

We are awaiting ratification by the Argentine Congress of the treaty on the waterway system, which has already been approved by Bolivia, Paraguay, and Uruguay, leaving Brazil and Argentina to accept it. The matter of the waterway system is very important, and I will take advantage of this occasion to underline its significance and the need for the Argentine Congress to approve it.

Mercosur

[Puig] On 1 January 1995—barely one year from now—Mercosur should be in full operation. Meanwhile, in the countries which will be members of it there are inflations ranging from a single digit, at best, to 50 percent annually, to 50 percent monthly. How will all of that fit together?

[Lacalle] Making it fit together will be difficult. I know that Mercosur will not be easy to handle, but there is no other choice. If we cut off our legs to avoid losing our way on the road, we would not have signed the Treaty of Asuncion, because Argentina was in too strong a financial position.

Brazil has major problems, but it also has a major potential. I think that the economic plan which it has adopted for 1994 will be an effective one. The proposal made by the Brazilians themselves to study some way of linking our currencies demonstrates the will to deal with these matters.

[Puig] Uruguayan and Paraguayan industrialists have just asked their Argentine and Brazilian opposite numbers to request their governments to agree to a delay in the implementation of Mercosur.

[Lacalle] I think that a delay is about the only thing that we could not agree to because, since we know what kind of people we are, an extension would be continued forever. Therefore, I consider that the major advantage of Mercosur is that, because the date for its entry into effect cannot be changed, it has caused a major industrial renovation program.

Military Concern

[Puig] I would like to change the subject: 1993 was a year which was characterized by concerns about the military. Let us not go into them in detail, but they are clear enough. There is the case of the Chilean, the case of the microphone, some transfers, the restructuring, and even the matter of pensions. What is the situation now?

[Lacalle] I would not call them concerns. I would call them problems, which is a different matter. We have asserted our position as the supreme authority of the armed forces. We have not seen acts of disrespect, as unfortunately happened a few years ago in the history of our country. There has been continuing respect for duly constituted authority.

In our country legal authority over the military hierarchy is fully in effect.

Economic and Social Policies

[Puig] A few days ago, when you dedicated construction work which had been completed at the Pereira Rosell Children's Hospital, you said that you can have good economic policies with good social policies as well.

[Lacalle] You have heard it said, until you are tired of hearing it, that the so-called neoliberal policy was being implemented to the detriment of social policy. I always remember a remark made by Jaime Paz Zamora: "With inflation at the 25,000 percent rate, there are no social policies. They do not exist. They are only on paper. With inflation at 8 percent annually Bolivia has been able to deal with social policy." If I might transpose these remarks, which is not quite correct, I would say that Uruguay has been able to follow very important social policies at the same time that it was putting its economic house in order, reducing the deficit, lowering inflation, and, more specifically, reorganizing the external debt. I will give you two figures. We have practically doubled the budget for health and education. We have raised the health budget from $90 to $170 million. The education budget has been raised from $180 to $300 million, not taking into account other kinds of social investments. And this has been done at the same time as we have achieved a noticeable reduction in inflation and in the deficit.

Elections

[Puig] Over a period of 12 months elections will have been held in 11 Latin American countries. They have already been held in Honduras, Venezuela, and Chile. And consider how curious this is: three former presidents and four sons of former presidents are candidates. Are the people voting out of a sense of nostalgia?

[Lacalle] I do not know about the other countries, but I would say that we are substantially different from that. If there is something in the rest of America which cannot be applied to Uruguay, it is in political terms.

We have the oldest party system in the world. From 1836 until now there have been two political parties in Uruguay which are inextricably united. Their very existence alongside each other is conditioned in a way unlike any other system in the world. Certainly, this is without prejudice to the emergence of the other political groups. However, there is no doubt that the traditional parties are a unique phenomenon.

This is a country with a well-developed electoral culture. I do not believe that I would vote for anyone because he is the son of this person or a relative of that one. It has not been much of an advantage for me to be the grandson of one of the greatest leaders that Uruguay has had. I had to make my own way.

Election Programs

[Lacalle continued] What is happening in Uruguay—and you can see in that the impact which Herrera has had,

that is, in my sector of the National Party [PN]—is a recognition of the importance of election programs and their implementation. We are very proud of the great extent to which we have implemented our election program. And I am sure that this is going to have an enormous effect on the next election campaign, because people are going to be asking the parties to do something similar to what we did: that is, to advocate appropriate actions which can actually be accomplished.

[Puig] Can you comment on the issue of constitutional reform?

[Lacalle] Look, I believe that there is a critical mass, as we would say in terms of physics, in favor of constitutional reform. I do not know if there are historic moments to do that, because today is 23 December, and I see that there will be a delay. I do not want to make a judgment about this. I believe that there is a critical mass of people who understand. I am the man who can speak about this subject with the greatest freedom, first, because I am not a candidate in the next elections, and, secondly, because I have lived through the difficulties of not being able to form a government. We are aiming at constitutional reform while at the same time we would like to give the next president better means of governing the country in a better way.

[Puig] Are you disappointed about that?

[Lacalle] Yes, because I believe that the contrast between the things which many political groups have said and what they did afterwards has led to great disappointment among the people.

Venezuela

President-Elect Caldera Announces Cabinet

PA0102012794 Caracas Venezolana de Television Network in Spanish 2305 GMT 31 Jan 94

[Speech by Venezuelan President-Elect Rafael Caldera in Caracas—live]

[Text] Venezuelan people, I fulfill with pleasure the offer to announce this evening the names of the Venezuelans who make up the work team that will accompany me in the government tasks we will begin on Wednesday. I promise the viewers I will not take one minute from their opportunity to see the historical game that will start at 1900 in Valencia, where the two traditional rivals—the Caracas and Magallanes teams—will participate in a traditional game and decide who will represent Venezuela in the Caribbean games.

I proceed to indicate the names of the cabinet ministers and personalities who will accompany us in the government tasks, which shall be difficult but which we will take on with great faith in Venezuela, great love for the country, and great hope.

The Interior Ministry has been accepted by Ramon Escovar Salom, whom, suffice it to say, earned the Venezuelan people's admiration and respect as prosecutor general of the Republic during five years of the administration which is about to end.

I have appointed Dr. Miguel Angel Burelli Rivas, a diplomat with great experience and an important politician, to the Foreign Ministry. He was presidential candidate with a substantial number of votes; and he is respected and appreciated by the Venezuelan people in general.

Julio Sosa Rodriguez has accepted the post of finance minister. He is a man who refused, although he was insistently asked to do so, to occupy any ministry in previous administrations. During my first administration he was an excellent ambassador to the United States of America, and he was an efficient negotiator for Venezuela's admission to the Andean Pact. Julio's experience, his reputation, his moral stature qualify him to handle the tremendous fiscal and economic problems Venezuela will face.

Army Division General Rafael Angel Montero Revette will be defense minister. He is a 49-year-old military officer with a brilliant service record who is currently inspector general of the Army. He will be accompanied by a distinguished list of officers in the military High Command: Rear Admiral Rafael Huizi Clavier, Armed Forces inspector general; Air Force Division General Maglio Montiel Arguello, chairman of the Joints Chiefs of Staff; Army Division General Moises Antonio Orozco Graterol, Army commanding general; Rear Admiral Carlos Ramos Flores, Navy commander; Air Force Division General Otto Garcia Rivera, Air Force commanding general; and Armed Forces of Cooperation [FAC] Division General Egberto Arruza Delgado, National Guard commanding general.

The Development Ministry will be occupied by Architect Luis Carlos Palacios, a university professor, a man with a vast knowledge of economic issues, and an honest and hard-working man.

The Education Ministry will be occupied by Dr. Antonio Luis Cardenas, former rector and founder of the Libertador Pedagogical University, a teacher with a vast experience who recently has been in charge of the Education Directorate in Merida State, where he conducted some experiments that earned the admiration and approval of experts in education issues.

The Health and Social Welfare Ministry will be occupied by Dr. Vicente Perez Davila, 39 years old, a brilliant doctor with a post-graduate degree from the United States. Furthermore, he will be supported by a National Health Council which includes Dr. Fernando Ruben Coronil, who will act as chairman, Dr. Pedro Rincon Gutierrez, Dr. Jacinto Convit, Dr. Pablo Pulido, Dr. Alberto (Guidan) Baldo, Dr. Hernan

Mendez Castellanos, Dr. Blas Bruni Celli, Dr. Luis Manzanilla, and representatives of the most important organizations in the health sector: the medical schools, the pharmaceutical schools, and professional organizations. They will meet on an ad honorem basis at least once a month to advise the Ministry on critical issues pertaining to health.

For agriculture and livestock minister, I have chosen Ciro Anez Fonseca, a man who is also well-known in economic sectors, specializing in agricultural problems. He has been president of Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry] and Pro-Venezuela. He has broad support from business sectors, especially from the small and medium business sectors.

For labor minister, I have chosen Dr. Juan Nepomuceno Garrido, with broad academic training, with post graduate studies in Germany, Italy, and Switzerland. He has been my closest aide in drafting the basic labor law, in passage of the bill through the legislative chambers, and topics dealing with labor issues.

For transport and communications minister, I have chosen Engineer Cesar Quintini Rosales, who also has several post graduate degrees from U.S. universities. He has undertaken specialized studies on transportation and has a solid reputation in his professional area.

For justice minister, I have chosen lawyer Ruben Creixems, the youngest in the cabinet at 36. He is currently director of the law school of the Andres Bello Catholic University.

For the Energy and Mines Ministry, I have chosen Eng. Erwin Jose Arrieta Valera. He has been president of the Mining Chamber and secretary general of the Petroleum Chamber. He is deeply concerned about and involved in petroleum issues. He has gained interesting experience by being ambassador to Kuwait and the United Arab Emirates in the past six months.

For the Environment and Natural Renewable Resources Ministry, a specialist fully dedicated to these problems, especially to the problem which is so important, serious, and essential for the Venezuelans: the supply of water not only in the metropolitan and rural areas but in the neglected areas of cities which suffer so much due to this lack of water. [No name provided by Caldera; Madrid EFE at 0003 GMT on 1 February in a report on the cabinet announcement indicates that Roberto Perez Lecuna is the environment and natural resources minister.]

For the Urban Development Ministry, I have chosen Eng. Ciro Zaa, from Barquisimeto. He is currently a member of the board of directors of the Yacambo dam project. He is 44. I hope that in the area of housing, especially lower-income housing, he will carry out important tasks.

For the Family Ministry, I have chosen Dr. Mercedes Pulido de Briceno. She is well-known in media circles and well linked to the university sectors. She is very concerned about social issues. She will have to work hard due to the importance of this Ministry which in a future state reform will become a social development ministry.

For the Secretariat of the Presidency, I have chosen a team that has my most absolute trust. Andres Caldera will be minister; Fernando Egana will be deputy minister; Fernando Febres Villalba will be private secretary; Guillermo Alvarez Bajares will be chief of the Central Information Office, with rank of minister of state; and Enrique Alvarado will be director of presidential relations.

For chief of the Central Office of Coordination and Planning of the Presidency, Cordiplan, I have chosen Enzo del Buffalo, a young economist, well respected, well-known, and well viewed in the circles involved in the national economy.

I note that we have returned to the original situation when Cordiplan was created. At that time, Manolo Perez Guerrero and the comrades who helped him in creating this organization insisted that this should not be a ministry, rather it should be an office under the umbrella of the Presidency to be removed from the differences that exist between the diverse ministries.

Asdrubal Batista, 46, minister for the reform of the national economy; professor of Yesa [not further identified]; professor in [word indistinct], and Harvard professor. He will be in charge of the study and planning of long-term measures for the in-depth reform of the Venezuelan economy. We believe that the government, through the economic institutions, must face the current situation, it must take immediate measures, it must look for ways to solve for Venezuela the difficult situation it is experiencing. We cannot be satisfied with this, we must look at the petroleum policy, at the economic policy in general, new horizons, new ways to mark the road for Venezuela toward the 21st century that is at our doorstep.

Decentralization Minister Jose Guillermo Andueza, professor of Constitutional law; secretary of the commission that drew up the 1961 Constitution; adviser of the bicameral commission that presented the draft bill for the general reform of the Constitution in 1992. He is a man of great experience and authority on this subject. This subject is undoubtedly very sticky as we must find satisfactory solutions so that the coordination between the central government and the regional and municipal institutions is not broken. In this way these decentralization tendencies will be channeled positively toward what the people are demanding: the solution to their grave problems.

As youth minister: Sociologist Pilarica Iribarren de Romero. I have asked Pilarica to accept this task with the desire to have the presence of the younger generation felt at all times, through the national government's concerns and actions. I have perceived that the younger generation complained that during political campaigns they are praised and courted. Nevertheless, once the campaigns are over, once the elections are over, the government has

so much to do, it has neither the time nor the willingness to take them into account. I have asked Pilarica Iribarren to take up this task and I am certain she will be successful.

I have appointed a state minister for higher education, science, and technology. This does not imply, if this is decided, that there cannot be a [word indistinct] director who of course would be under the direction of and with the representation of the state minister. [sentence as heard] The Education Ministry is undoubtedly too big. The work load the education minister has does not leave him time for anything else. The problems and the demands to find adequate solutions in higher education are very serious. This is why I have take this initiative. When I announced this decision to the presidents of the national universities, they were very pleased. That is, to appoint a state minister for higher education, linking him with science and technology so as not to increase excessively the number of ministers. The candidate chosen is Guido Hernan Arroyo, who was, I think, president of the Andres Bello Catholic University Andres Bello for 18 years. He solved many difficult situations there and he won the admiration and appreciation not only of the Catholic University community but also of the university community in general.

Special Minister Pompeyo Marquez, who has, according to what is provided for in the Constitution, the task of advising the president and assisting him in whatever duties with which he may be entrusted. I believe that Pompeyo will be a link between me and the political sector. At the same time he will take over enthusiastically, with the dedication for work that has always characterized him, a series of very important matters. For example, he has mentioned to me overhauling the national border council which has been very neglected lately; this would be dealt with. Another matter would be to find a way to stimulate small and medium industry, the handicraft industry, which can and should be a very important part of the solution to the economic and social problems of Venezuela.

Economist German Luis Soriano has been appointed president of the Tourism Corporation. I must say that I believe that tourism is one of the activities that we should immediately get involved in because that task, that sector has great possibilities of solving Venezuela's current deficit. German Luis Soriano is a very capable man, he has held important posts. He was vice president of Santa Maria University. He is a capable, intelligent, and enthusiastic person. I have also appointed him as a state minister to give the tourism industry all possible support from the Executive Branch.

Economist Abdon Vivas Teran has been appointed president of the Venezuelan Investment Fund. He is well-known in political and economic circles.

Alberto Poleto, 46, has been appointed to the Foreign Trade Institute.

Abdon Vivas Teran is another younger member of the government team. In this team I have insisted on achieving what I call generational gap solidarity as there are very important senior citizens who are still very active, there are also very young members in whose performance I have a great deal of hope.

I must explain that these presidents of institutions who are appointed state ministers do not represent for the state, for the national budget, any additional expense. While they are presidents of those institutions they do not need to have another or a special remuneration as state ministers. As state ministers, however, they are given the opportunity to attend the cabinet meetings. It may be said that the cabinet is quite large but if the sessions are conducted orderly and constructively, I believe there is no danger that these meetings will become boring and unfruitful.

Ricardo Conveias, appointed president of the Presidential Commission for State Reform, Copre, is currently president of the National Association of Constitutional Law professors. He is closely linked to this subject and he will undoubtedly give this matter of constitutional reform a high level of importance.

To conclude, I have appointed Asdrubal Aguiar Aranguren, 44, federal district governor. He is young but his life has been full of diverse activities; he has a great deal of ability, intelligence, and has a thorough understanding of the nation's problems. Currently, Asdrual is a member of the Inter-American Court for Human Rights. This undoubtedly promises that he will have the human rights problems and its surveillance present as governor.

I have kept my promise to the fans of the dramatic game between Caracas and Magallanes that will take place shortly in Valencia. I hope that the game will match the hopes and expectations of the public. I hope that the winner will also reward us by winning the Caribbean Series at Puerto La Cruz. Thank you and good night. [applause]

Caldera Cabinet Members Discuss Immediate Plans

PA0102033894 Caracas Venezolana de Television Network in Spanish 2350 GMT 31 Jan 94

[From "The News" newscast]

[Text] Members of the executive cabinet of President-elect Rafael Caldera will work in coordination in order to reactivate the country's productive apparatus. Here is a report on the plans of the new ministers, to whom we wish lots of success.

[Begin recording] [Unidentified reporter] First, we will interview Foreign Minister Miguel Angel Burelli Rivas. What are your first measures going to be?

[Burelli] Work.

[Reporter] What are your plans?

[Burelli] Reinforce or restore Venezuela's image abroad, which has recently deteriorated.

[Enzo del Buffalo, nominee for chief of the Central Office of Coordination and Planning of the Presidency] We will try to conduct profound reforms in the basic industries and oil sectors. We will try to complement those reforms with policies consonant with the current circumstances in order to stabilize the foreign exchange rate, control inflation, and reduce fiscal deficits through austerity measures already announced.

[Rafael Angel Montero Revette, nominee for defense minister] We will review the Armed Forces plans and above all, we will reactivate and improve the Armed Forces social welfare plan. This includes the areas of health and housing, so our soldiers can live and work under better conditions.

[Abdon Vivas Teran, nominee for president of the Venezuelan Investment Fund] We will strengthen the privatization process. We will try to promote it on the basis of solid, technical, conceptual, and at the same time participative plans. We believe that participation will serve to increase the state's efficiency, distribute wealth, and make the productive apparatus more efficient.

[Ciro Anez Fonseca, nominee for agriculture and livestock minister] My priorities will be based on the president's interest to encourage productive sectors, particularly the agricultural sector, which has suffered difficulties during the past few years which we hope to resolve in the near future.

[German Luis Soriano, nominee for tourism minister] One of the most important activities in the country's economic development in the next few years will be developing tourism as an activity that not only will create new jobs but will also help develop important regions in the country that have been neglected in the past.

[Juan Nepomuceno Garrido, nominee for labor minister] The social welfare plan must be defined by the president of the Republic. So far we have not.... [pauses] I know his opinion and he knows mine, we both know what the country's current situation is. You can be sure that President Caldera will have in me a faithful, loyal minister, who is willing to work, follow his policies, and lead the country to a path of well-being.

[Ruben Creixems, nominee for justice minister] What was not done in 20 years cannot be done overnight. We must, however, work hard to attain our goals.

[Julio Sosa, nominee for finance minister] I believe balancing the budget is fundamental to curbing inflation, or at least reducing it to an acceptable level. [end recording]

New Army Commanding General Takes Office

PA0102020694 Paris AFP in Spanish 2119 GMT 31 Jan 94

[Text] Caracas, 31 Jan (AFP)—General Moises Orozco Graterol took office today as commanding general of the Venezuelan Army, replacing Jorge Tagliaferro de Lima after President-elect Rafael Caldera's decision to remove the entire military High Command, military sources reported.

General Tagliaferro de Lima is the first member of the military High Command to leave his post. It is expected that the other members, including Defense Minister Vice Admiral Radames Munoz will make their resignations official today or Tuesday.

After learning of Caldera's decision to remove them from their posts, the members of the High Command announced they would resign and request their retirement from the Armed Forces prior to the presidential inauguration on Wednesday. Caldera, a 78-year-old Christian Democrat, should announce his new cabinet in the next few hours. Caldera will be in office from 1994 to 1999. He had previously been president from 1969 to 1974.

Military Command Suggests Caldera Make No Changes

PA2801212694 Caracas EL GLOBO in Spanish 26 Jan 94 p 47

[Report by Jose Ramon Diaz]

[Text] Given the likelihood of changes in the military High Command once Rafael Caldera becomes president, all active generals and admirals of the National Armed Forces [FAN] agree that the new president should ratify the current commanders in their posts, headed by Defense Minister Admiral Radames Munoz Leon, in respect for seniority and merit. On 5 July all these general officers will retire as a result of time in service. Then the picture will change.

According to the military leaders, moving high command figures is a constitutional act and, furthermore, a prerogative of the president and commander in chief of the FAN. They added that relieving the general command posts and the defense minister is part of the normal military procedure. They added that this clearly shows the normal atmosphere reigning at military headquarters and confirms that such changes cause no disruptions in the business of state, as long as such changes are in accordance with current military regulations. If otherwise carried out, said changes might create an unnecessary crisis within the armed institutions.

One high-ranking Army officer pointed out that seniority—which some politicians have tried to overcome so many times before and has recently been treated with very little respect—still has its place within the FAN.

As we all know, the High Command and the commanding general officers of the Armed Forces are, firstly, Vice Admiral Radames Munoz, whose command post is at the Ministry of Defense; Division Generals Miguel Angel Andara Clavier and Ismael Antonio Guzman, inspector general and chief of the Joint General Staff of the FAN, respectively.

Commanding the services are Gen. Jorge Isaac Tagliafierro de Lima, the Army commander; Gen. Freddy Yanez Mendez, the Air Force commander; Gen. Pedro Romero Farias, of the National Guard (GN); and Vice Adm. Julian Mauco Quintana, the Navy commander.

The first three commanders are to retire on 5 July. They belong to the class of 1964, each in his own command academy. Munoz Leon is a graduate of the "Gran Mariscal Ayacucho"; the old Venezuelan Naval Academy in Maiquetia. As such, he—like his fellow commanders—will have completed 30 years of active service, according to the FAN Organic Law.

Regarding the commanding general officers of the individual forces, the oldest soldiers in the force are Army Commander Tagliafierro de Lima and Air Force Commander Yanez Mendez. These two officers also graduated from their forces' academies in 1964. Gen. Romero Farias (GN) and Vice Adm. Mauco Quintana (Navy), however, are still relatively new to active service.

Along this same line of thought, what would happen if President Caldera were to remove the current command staff and replace the defense minister with the young and brilliant Army Gen. Rafael Angel Montero Revette, the current inspector general of the Army? In their words, "this would be the worst political decision the chief of state could make," although they are sure such a thing will never happen. Caldera, they say, is a seasoned public figure and statesman, and knows how the pieces move on the FAN chess board, to use a metaphor. They also believe that it would be even worse if the president were to decide to appoint one of the division generals—such as Nestor Lara Estrano, the current director general of the Defense Ministry, Moises Orozco Graterol or Alberto Emerich Esquea Torres, the executive secretary of the National Security and Defense Council—above Gen. Montero Revette.

In any case, the top commanders believe that if anyone "tries to get rid of Adm. Munoz Leon," which is the new president's prerogative, the logical thing would be to appoint Andara Clavier (Air Force), the current inspector general of the FAN, as new defense minister until 5 July. Then Army Gen. Guzman, chief of the FAN Joint General Staff, would replace Andara in normal rotation. Vice Adm. Mauco Quintana, commander of the Navy, would replace Guzman.

There are other formulas that they call "logical," but the wisest thing for President Caldera to do is reaffirm Munoz in his post until next 5 July, even though he is the supreme commander in the end.

Munoz Leon, who would seem to be the president's current "target," would not mind going home. He thinks that command rotation is necessary, now more than ever, in times of crisis.

There is a generation eager to work, to continue with the preset plans and carry out the ideas they have been kneading all their lives. It is the FAN's rotation policy at the minister of defense's office and the reverence for seniority that has honored the institution and has been a source of hope for the military command component. It has been an effective mechanism to prevent one force from prevailing over the other and the difficulties such a situation would entail.

In summary, for the members of the military High Command, balance is the important thing in delegating the various Defense Ministry posts. That is, that no single force should have an advantage over the others and the men be place in accordance with their skills and qualifications and, above all, their ability to render the best possible service to the FAN, with the desire to equally distribute the missions to be accomplished.

Student Demonstrations Continue in Caracas 27 Jan

PA2901043894 Caracas EL UNIVERSAL in Spanish 28 Jan 94 p 4-28

[Text] Violent student demonstrations continued in the Caracas metropolitan area yesterday, although the actions were limited to spilling trash on the streets to block traffic around several educational centers. In an incident related to the disturbances, however, an elderly lady suffered a heart attack and died. According to a Military Police source, the incident occurred at Dos Caminos subway station, where secondary school students sought refuge while fleeing from police after participating in a protest. As the result of the nervousness caused by the students' arrival, the woman, some 70 years old, suffered a heart attack and, although paramedics at the subway station gave her first aid assistance, she died shortly thereafter.

The disturbances occurred at the Rafael Urdaneta and Santos Michelena Secondary Schools early in the morning. Both schools were vacated and the Military Police forced the students to scatter. Some of them, however, put garbage bags on the pavement and set them on fire. Similar protests were staged in front of the Carlos Soublette Secondary School, located in the San Bernardino neighborhood, where Special Brigade members helped restore order.

In Sucre, students from several secondary schools started a march. When they were dispersed by the police, however, they sought refuge in the subway stations, where the elderly woman's death occurred. Traffic was interrupted near the Andres Bello School on Mexico Avenue, Gustavo Herrera School on Libertador Avenue in Chacao, and in front of the Caracas Instituto Pedagogico, located on Paez Avenue in El Paraiso. At all of

these places, students placed garbage and obstacles in the street while the police cordoned off the areas to prevent an aggravation of the situation. In the afternoon, hooded individuals from Ciudad University tried to commandeer a cargo vehicle, but police thwarted the attempt. Later, the same hooded men confronted police in the Tres Gracias sector.

[Caracas EL NACIONAL in Spanish on page D-12 of its 28 January edition publishes a related 800-word report that adds that hooded individuals who infiltrated student demonstrations set three trucks on fire near the Central University of Venezuela in Maracay and near the Technological University in La Victoria. The report says the students were protesting the arrest of Juan Valladares, a young worker and student at the Libertador Pedagogical University in Maracay. The newspaper also reports that Mario Popoli, third judge for preliminary investigations on crime, has ordered an expeditious investigation because six trucks have been looted and set on fire in less than a week.]

Appeal Filed With GATT on U.S. Gas Import Restrictions

PA2901231094 Caracas EL DIARIO DE CARACAS in Spanish 27 Jan 94 p 17

[Text] The Government of Venezuela yesterday informed the contracting parties of GATT of a formal appeal for consultation that, within the framework of the procedures for settling differences within that organization, it presented recently to the U.S. Government concerning improved gasoline [gasolina reformulada].

Such consultation is specifically related to the "Regulations on Fuels and Fuel Additives—Rules for Improved and Conventional Gasoline," which the U.S. Environmental Protection Agency adopted last 15 December. For Venezuela, this regulation clearly violates GATT provisions, because it places controls on imported gasoline different from those placed on U.S. gasoline.

By bringing this issue up with GATT, Miguel Rodriguez Mendoza, minister-president of the Foreign Trade Institute [ICE], explained that this is "a matter of great importance for Venezuela and a matter that requires special attention because, once more, we are faced with the use of environmental regulations with disguised protectionist intentions."

Meanwhile, Rodriguez noted the discriminatory character of the aforementioned regulation and the adverse effects it will have on the export of improved gasoline to the U.S. market.

According to preliminary estimates, approximately 50 percent of the export volume of Venezuelan improved gasoline will be affected by that measure, causing an economic impact for Venezuela to the tune of $150 million over a two-year period.

Rodriguez also referred to the modernization program of Venezuelan refining plants that the national petroleum industry has undertaken with a view to adjusting to the new environmental demands, which contemplates investments of over $1 billion.

The ICE president presented the aforementioned petition to the 49th Session of GATT Contracting Parties, the highest body of that organization held in Geneva, Switzerland, on 25 and 26 January. According to GATT procedures, consultation must begin by 14 February at the latest, namely 30 days after the request is presented. Additionally, there is a 60-day term for processing said request.

The statements by Rodriguez regarding the ties between trade and the ecology were also addressed by B.K. Zutshi of India, president of the meeting, who in his opening speech warned of the need to prevent the conservation of the environment from becoming a new form of commercial protectionism.

Central Bank Approves Plan To Assist Banks

PA2801162294 Caracas EL GLOBO in Spanish 25 Jan 94 p 10

[Report by Mayra Chirino Ochoa]

[Text] The Central Bank Board of Directors met on Sunday and approved a general assistance program for the national banking system. Finance Minister Carlos Rafael Silva—who held talks with Central Bank President Ruth de Krivoy yesterday—made this announcement.

Although he did not explain the type of measures involved in the implementation of this program, he said that they are joint efforts by the Central Bank, the Deposit Guarantee Fund (FOGADE), and commercial banks.

[Reporter] Does it mean that liquidity will be injected into the financial system?

[Silva] Obviously, because I do not think that withdrawals are being made at this time.

The minister said he did not know the quantity of resources to be made available for this plan. He also denied knowledge of the possibility that the government, through FOGADE, will capitalize Banco Latino stocks, which is one of the options under study.

Asked about the exact date when Banco Latino will reopen its doors and start returning their money to depositors, he noted that matters concerning Banco Latino were already entrusted to a board of auditors [Junta Interventora] on Friday. This board is made up of Julio Santodomingo, Hernan Oyarzabal, and Tesalio Cardenas.

The board of auditors is the top authority in handling that institution, Silva said. He added: I understand that they are assessing the patrimonial status of the bank in order to make a decision.

The finance minister was also asked about the decree that suspended the Value-Added Tax (VAT) and he replied: "Let's not talk about that."

However, it was learned that the decree in question has not been published in the official gazette because of the legal difficulties that would result from suspending a law by decree, a decree that was not approved by the Attorney General's Office and the finance minister who will not sign the decree.

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